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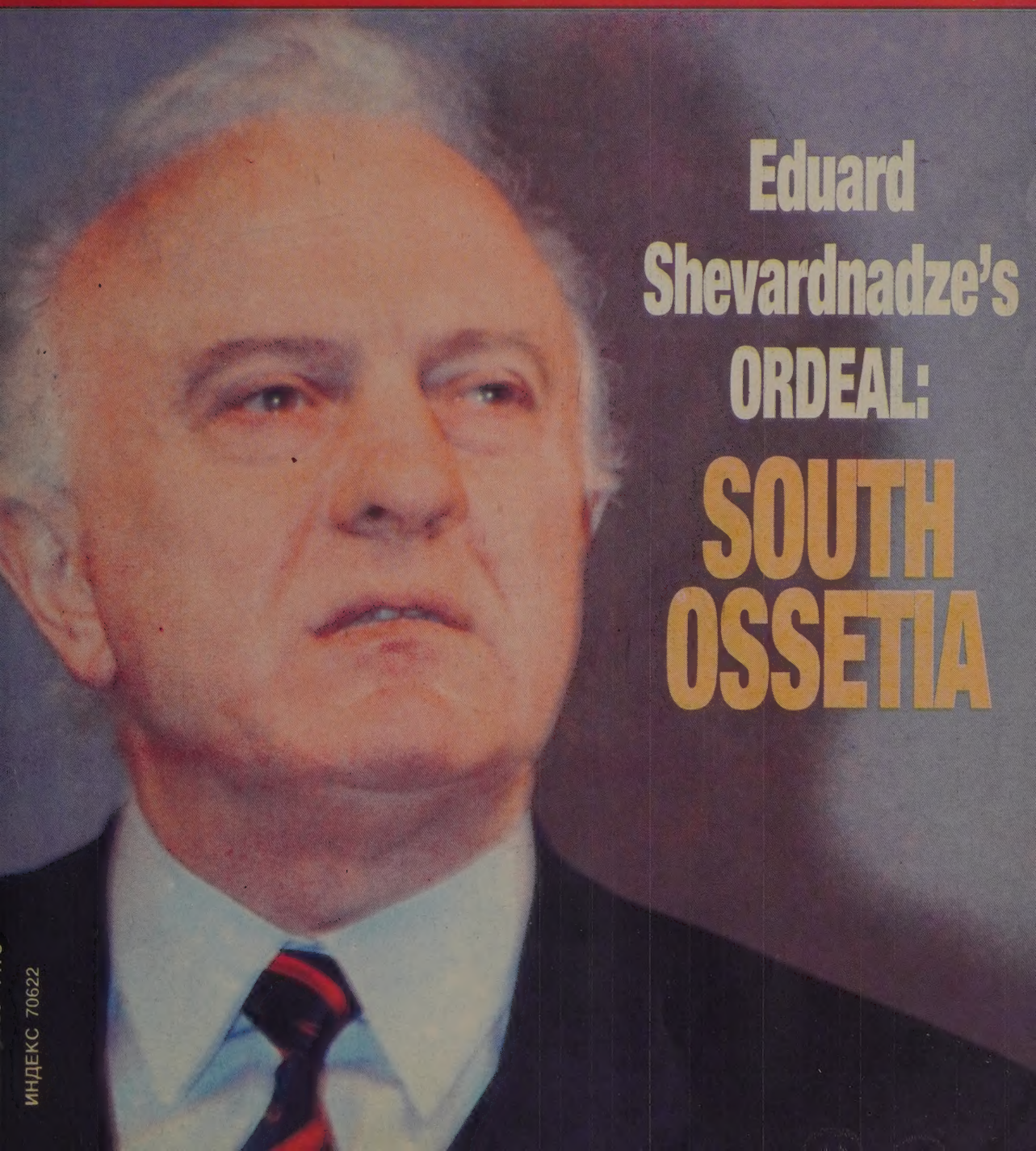

Eduard Shevardnadze's ORDEAL: SOUTH OSSETIA

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28/92 **NEW TIMES** JULY

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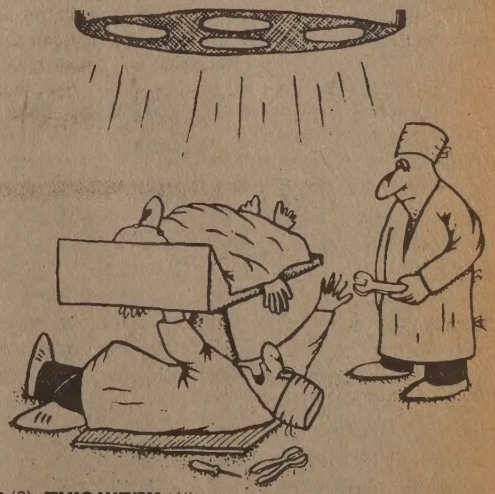

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Cover photo by Novosti

First create, then distribute

"The operation has been carried out successfully. Unfortunately, the patient has died." The IMF experts who have set about treating the sick economy of Russia will probably arrive at this conclusion. I think they have prescribed Russia the wrong treatment. Instead of looking for new ways and methods of stimulating the private sector and attracting foreign investment, they recommend the Gaidar government to concentrate on problems of a balanced budget, exchange restrictions, and higher tax revenues. But before amassing and distributing wealth, it must be created. Isn't that so?

Jean Morin, economist
Lyons

Old recipes are no good

Comparing the assessments of the second stage of Gaidar's reforms made by Garkusha and Lacis (No. 24/92), I would give preference to the first. Relying on the opinion of such an authoritative economist as Yavlinsky, the author of the cover story convincingly lays bare the defects of Gaidar's reforms. Lacis reduces the matter to the question of whether there are criteria for the assessment of these reforms, and suggests the thought that there are no such criteria. If there are no criteria – no way to judge.

I think the IMF and the World Bank are trying to apply methods to the Russian economy which are based on the past experience of reforms gained in Latin America, Asia and Africa, moreover, during the cold war. Such a mechanical approach to reforming the unprecedented economic situations in post-communist societies has already led to the "skidding" of reforms in Poland. The Russian government considers the opinions of such experts as Geffrey Sachs from Harvard University in vain. It is not his job. Russia needs new, original methods of transforming the highly centralized planned economy into a market economy, methods without analogies in history. Otherwise its economy is going to collapse.

John Schwab, professor
Cumberland

Like in La Fontaine's fable

I regard Ganyushkin's article "Quo vadis, homo Soveticus?" (No. 22/92) as a journalistic success. Are you familiar with La Fontaine's fable about frogs begging the king for help? Russians remind me, pardon, of such squeamish frogs. I am a scholar of Russian history. And what do I find in it? Over the last two centuries Russia did not have a decent ruler, whether a tsar, general secretary or president. Among its rulers were only balding dandies, drunkards, tyrants, butchers, or, at best, dictators.

What about civilized nations? Take Napoleón, for instance. He ingloriously lost the Russian campaign, the battle of Waterloo and in general, he was far from an ideal person. But his tomb in Paris is a place visited by our citizens. The Vendôme column was erected in his honour. One of the best brands of French cognac is called Napoleon. Excuse me, but the Russians do not have even cognac called Stalin.

François Leclercq, research associate
Marseilles

There're all kinds of Russians

A concentration camp for Jews was situated at Domanevka, Ukraine, during the war. Jews were brought to that place and then shot over deep ditches not far from the neighbouring village of Bogdanovka.

An underground group formed in Odessa by assistant professor Konstantin Grodsky helped Jewish prisoners. Members of the group collected articles for everyday use and money and secretly passed them on to camp inmates. The people who did that could be executed. There were two courageous women in the group – Alexandra Podlegayeva and Anastasia Teryaeva. They were Russian patriots who, like many other heroes, saved the innocent victims of Nazism. Those who survived thanks only to these women will never forget them.

Yevgenia Khozeh
Odessa

THE WAY I SEE IT

Drawing by Marat Tairov

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Big Seven may become Big Eight – which does not mean Russia will be any the richer or more stable

Russian President Boris Yeltsin's appearance in Munich at the Big Seven summit is totally different from USSR President Mikhail Gorbachev's last year show at a similar summit in London, as the Russian leader has a much more powerful negotiating position. He is to be credited for the breakdown of the communist regime, the dismantling of the empire, the divorce with the Kremlin's dangerous foreign allies, his unreserved loyalty during international crises and, finally, his personal aura as a staunch pro-Western politician without any of that duplicity which Gorbachev was always suspected of having. His spectacular US visit ensured him what is possibly basic, namely, President Bush's recommendation to have Russia be a suitable candidate to membership in the club of the world's top influential powers. No wonder he has a much greater involvement in the Munich Big Seven talks.

The Russian President's sagacity lends itself to an easier explanation at a day-to-day level. The Russian demonstrates his homely shrewdness by shouting from the housetops, in anticipation of a resolute refusal, that he has not the slightest idea of begging anyone for anything. Yet there is more than enough evidence to indicate that the West is quite ready to reject both new requests from Russia and the other erstwhile Soviet republics and not honour any old wishes. Thus on the eve of the Munich meet, the alliance of Swiss banks had its leading experts issue the warning against all financial injections into the wreckage of the Soviet empire, as they believe the $144 billion hitherto given has already gone down the drain there. Instead, the Swiss bankers suggest lifting restrictions on commerce between the West and the CIS countries which they believe would be tangible assistance furthering economic reform which they say will be productive not sooner than 1995, in which year credit should be extended.

It behooves Russia's government to note that entrepreneurs at home are behind the Swiss bankers in this respect. They are not only averse to the $24 billion grant, which as such will certainly not extricate post-Soviet economy from its chaotic plight. Indeed, the relevant machinery already promises sorry results. Western creditors seek endless on-the-spot inspection visits to Russia, but the earlier furnished loans, given when Gorbachev was in full trim, have demonstrated that such reconnaissance may drag on for years and never produce anything, only because in Russia the negotiating bureaucrats prefer much more to go abroad than to attempt painstaking day-to-day work at home.

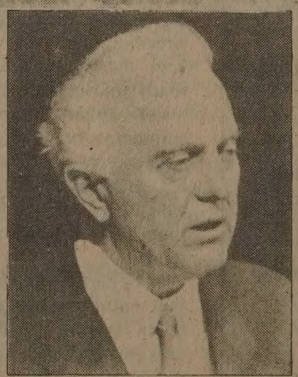
Like the Western governments, Russian entrepreneurs want political and economic stability at home, as then we would see direct foreign investment as more productive than credits. However, thus far such investment is ridiculously small, being but a third of similar investment in Hungary, half in Poland and two thirds in Communist Vietnam. Why, even in the fuel and power complex, as the most attractive target for foreign investment, affairs are none too good. Experts maintain that the widely touted deals related to concessions to develop oil and gas deposits in Russia, Kazakhstan and Azerbaijan are no more than leverage for stock market jobbing and for advantageous bank credits, which, admittedly, now and again works.

Hence, hopefully, President Yeltsin will promptly draw conclusions that Gorbachev has seemingly been able to do only now that he has lost the country and the presidency. The Russian President's achievements as regards international aid are but tinsel which cannot conceal the beggarly trappings of Russian reality. Indeed, before tempting Western capitalists, he must spur entrepreneurship at home and prevent the seemingly perpetually entrenched Russian bureaucracy from suppressing such entrepreneurship by the tried and tested methods it is employing to this very day.

Vladimir Kulistikov

South Ossetia: expecting intervention?

For Georgia's State Council Chairman Eduard Shevardnadze a peaceful settlement of the conflict in South Ossetia was a task of prime importance. The ending of the bloodshed and the emphasis laid on political negotiations should have demonstrated to the world the potential of the new leadership, its distinctness from the Gamsakhurdia regime. But the task remains unsettled. Why?



The Presidium of the Georgian State Council is afflicted by a power struggle, and there is no unity on South Ossetia. Dzhaba Ioseliani in principle refuses to let his Mkhedrioni soldiers go to the area of the conflict. With fighting resumed, Eduard Shevardnadze has been faced with a *fait accompli*. Meanwhile with Tbilisi's blessing, Tenghiz Kitovani's National Guardsmen shell Tskhinval

Tired of fighting

Dmitry LEONOV, head of the Memorial human rights centre, recently back from the theatre of hostilities, relates:

The conflict's escalation has been a two-phased affair. The first phase began when Georgian guardsmen captured villages around Tskhinval on June 7, thereby seizing points of vantage for shelling the city. They initiated random bombardment targeted at houses and streets, evidently to force its inhabitants to flee before storming Tskhinval later. Incidentally, unlike the leaders of Karabakh's defence, the South Ossetian leaders do not prevent peaceful inhabitants from fleeing the theatre of hostilities. Nonetheless many peaceful inhabitants are killed when emerging into the open to procure bread and water.

The second phase began with Ruslan Khasbulatov's pronouncements followed by a misinformation campaign in the Russian media, reporting a Georgian ultimatum, partly captured Tskhinval and Russia's blocking of Georgia's UN admission.

Actually, the Georgians did not mass any armour and guns on the approaches to Tskhinval, which indicates that their leaders scarcely planned to storm the city. Who then okayed the offensive mounted by the Georgian National Guard? Nobody formally. There was no written order from Tbilisi, but on the other hand, oral consent had been secured from one of the members of the Presidium of the State Council. Directing the hostilities is one Col. Karkarashvili, the commanding officer of a special National Guard's regiment. When the State Council discussed events in South Ossetia, Shevardnadze, faced with a *fait accompli,* wept. Actually, he assumed the responsibility when he said "we occupied these villages."

I would compare the situation in which Shevardnadze has found himself to the January 1991 Vilnius events and the ambiguous situation in which Gorbachev landed. Not to say this absolves the Georgian leaders of responsibility for escalation of the conflict, as just before it resolved to better arm the National Guard, even though Dzhaba Ioseliani had been against that.

None of Ioseliani's Mkhedrioni units are in the conflict area; he in principle does not let them go there, which explains his being none too popular with the guardsmen and Georgian gunmen.

I would not dare say why this politician, usually so drastic, is so peaceable. Quite likely Ioseliani realizes only too well what Tbilisi's aggressiveness in the area may lead to. But there may be other irrational causes. Hence though I sympathize with his present attitude, I would not dare say that this could last for long.

Rutskoi claims the hundreds of peaceful inhabitants were victimized in recent days. Hundreds have been victimized but over recent months rather than days. He also said the Georgians were systematically shelling army units, which is not true, as such things were far and few between prior to the June 18 incident.

In Georgia nowadays it is no easy matter to evolve a peaceful settlement, as this goes against ingrained views and complexes. Nor should one exaggerate Gamsakhurdia's role in pump-priming the anti-Osset hysteria, as the way thereto was paved by the previous communist authorities. Recall the touted Georgian "peace march" on Tskhinval in 1989, involving Georgian Communist Party First Secretary Gumbaridze.

No wonder that when today Georgia's leaders, especially Shevardnadze and Ioseliani, breast the current, they are often inconsistent. Sadly enough, even they said Georgians could quickly seize Tskhinval should they wish to do so.

Unfortunately, there are no independent politically neutral sources of information in the region. Channels of communication are greatly restricted, for which the Georgians are primarily to blame.

Of late, true, the Georgian media have aired the Ossetic view, however seasoned with critical analysis. Chauvinistic propaganda is obviously being played down.

Much time has been lost though. CSCE should have intervened the moment fighting broke out. The decision of nine countries sufficed to dispatch observers, even without Georgia's consent, though I am absolutely sure such consent would have been forthcoming. Considering the prestige that Georgia's traditional human rights agencies and the Helsinki process enjoy, that would have been far more effective than Khasbulatov's threats, which have only tended to produce the reverse.

Some aver that the helicopter regiment stationed in Tskhinval could assure disengagement.

No wonder, as the Ossetic language is this regiment's second, while a third of the officers and men I met are Ossetian. I myself saw armed Ossetian gunmen in the regiment's compound, wanting to be provided with weapons. Each side says the other is making use of the regiment's helicopters to pinpoint artillery targets. In that case to make use of the regiment for disengagement would be none too happy.

That could be achieved by a quadripartite force representing Georgia, North and South Ossetia and Russia. A neutral strip must be created and guarded, to which both sides are amenable now. This could possibly be secured by a commando of Afghan veterans.

I have returned convinced that the status of an administrative district for South Ossetia is not the only option Tbilisi would accept. Similarly, independence and union with Russia are not the final options the Ossetes project either.

Much goes to show that both sides are tired of fighting. Indeed, field commanders are already negotiating on their own accord. Nevertheless international pressure on both the Georgians and the Russian leadership is vital, as both are walking the tightrope of war, thus generating a perilous internal political situation in both Georgia and Russia.

UN force will hardly help

The well-known political scientist **Andrei ZUBOV,** D.Sc. (History), a leading research associate of the Russian Academy of Sciences Institute of Oriental Studies believes applicable to South Ossetia those methods of political engineering which have secured good results elsewhere

What must be done? In the first place, the two sides must abandon certain mutual claims which I think extremely vulnerable.

One. The point made by Georgians that their country had been an independent state before it joined Russia in 1801 and again between 1918 and 1921, and that South Ossetia was never independent, which is why ostensibly its demand for territorial autonomy is absurd, holds no water, as at different times different nations became independent.

Two. The arguments Georgians now and again advance that as the Ossetes "came" to Georgia only recently, they must go if they do not want to live within the framework of Georgian statehood, are also unacceptable as historically unfounded.

Three. The Ossetes claim that as South and North Ossetia are heirs to one common Alan kingdom, the Ossetic state should be united, does not hold water, as the fairly recent history of the two Ossetian branches are markedly different. No wonder, until recently South Ossetia was ready to negotiate autonomy within Georgia, while North Ossetia regarded union with South Ossetia exclusively as an undesirable extreme.

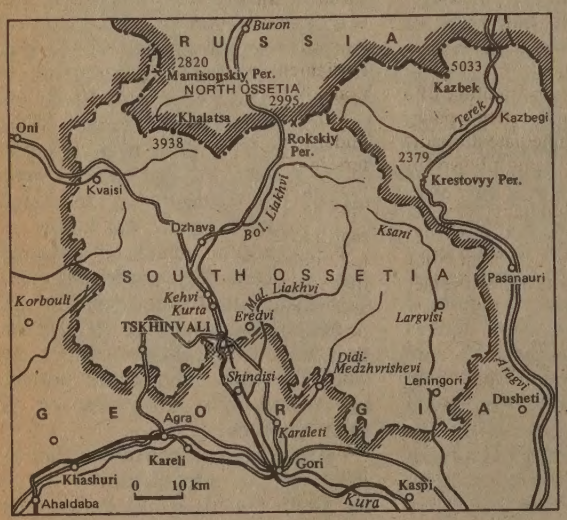
So how can the conflict be resolved?

I believe it essential for the leaders of the Ossetic and Georgian ethnoses to conclude a "national pact" mutually guaranteeing rights.

What would that amount to politically? The two ethnic communities could be afforded seats in the South Ossetia Parliament, with their number depending on the numerical strength of each community, with Ossetes the majority and Georgians the minority. However, each group should have the right of veto, implying that no decision the Ossetic majority takes would be acceptable should the Georgian minority dissent.

In that case we could have a situation when the Georgian minority could block all Ossetic proposals. That could be offset, were Georgia's Parliament to grant seats to the Ossetic minority, which on matters concerning South

Ethnographical note



How the two Ossetias emerged

The Ossetes comprise an Indo-European nation of the Persian branch. Current are two theories as to when the Ossetes settled south of the Caucasian Range in what is South Ossetia today. The first claims that Ossetes directly descended from the Scythians, which is presumably borne out by the sixth century B.C. Scythian artefacts unearthed there. The second avers that the Ossetes settled in this area from the 13th century on, after Georgian Queen Tamara had married the Ossetic Prince David. The first theory is advocated, among others, by Ossetic historians, the second, by their Georgian counterparts.

Towards the close of the 19th century, the noted Russian historian Miller observed that the Ossetes had no common national derivative for their name. He claimed it was of Georgian origin. Nowadays there is such a derivative, namely, Iron. However, depending upon their origins, Ossetes are still divided into the three groups of Irons, Digors, who live in the north, and Kudars, who live in the south. There are certain linguistic and anthropological differences between the Kudars and their northern kinsmen.

Historically, some Ossetic tribes Christianized, while others, mostly the Digors, converted to Islam. However, neither faith became deeply rooted, as at the turn of the 19th and 20th centuries even Christian and Moslem rites were accompanied by worship of pagan deities.

When Russia came to dominate the Caucasus, most Ossetes sided with her in the hope that she would defend them from both the Kabardinians and the Georgians.

During Georgia's short-lived independence between 1918 and 1920, the South Ossetes rose up several times to demand national independence. In 1920, the Georgian government forcibly deported a large number of Ossetes beyond the Caucasian Range.

On November 10, 1989, the South Ossetia Regional Soviet asked the Georgian Supreme Soviet, or Parliament, to elevate its status from that of autonomous region to that of autonomous republic. However, the Georgian Supreme Soviet Presidium qualified this request as unconstitutional. Meanwhile the then existing Georgian dissidents staged their sadly notorious "march on Tskhinvali" in response. However, with the help of the internal troops the Tskhinvali town fathers barred access to them and ever since there have been sporadic flare-ups of rifle fire along the fringes of the South Ossetia capital.

On September 20, 1990, the South Ossetia regional Soviet adopted a Declaration of Sovereignty enunciating South Ossetia's right to independently sign the Union Treaty. That very same day the Presidium of the Georgian Supreme Soviet deemed this document invalid. On October 16, 1990, formed was a provisional executive committee of the South Ossetia Soviet Republic, and a date was appointed for elections to its Supreme Soviet. On November 22, the Georgian Supreme Soviet annulled this decision. Elections took place in South Ossetia on December 9, but on December 11 the Georgian Supreme Soviet repealed South Ossetia autonomy and proclaimed a state of emergency there.

South Ossetia has been the theatre of an interethnic war ever since the turn of 1990 and 1991.

Ossetia or other Ossetes' rights in Georgia would likewise enjoy the right of veto.

Additional stability could be ensured by means which have secured good results in Lebanon for 120 years now. This implies elections in multimandate constituencies where seats are granted to representatives of different religious groups, or ethnic units in our case.

Thus Tskhinval could dispatch three deputies, two Ossetes and one Georgian, for whom all its population would vote, to the South Ossetia Parliament. In this manner moderates would be voted in, as extremists would not vote for the other side. Meanwhile in constituencies with mono-national populations seats would be reserved exclusively to Ossetes or to Georgians; however, it would be desirable to have mixed representation from most constituencies.

Also essential are military guarantees. We must not place serious hopes on mediation by the world community, as a UN peace keeping force would hardly help in the Caucasian region.

In the Ossetic-Georgian conflict, Russia could stand forth as guarantor, as she has a stake in peaceful boundaries and friendship with Georgia. If we imagine for a moment that South Ossetia leaves Georgia to join the Russian Federation, a peaceful relationship with Georgia would never come about. Consequently, the best option for Russia is to have South Ossetia remain within Georgia, provided all the Ossetic people's rights are fully assured.

Foul play?

The Yeltsin-Shevardnadze Dagomys meeting revealed what is at least an outwardly reciprocated desire to evolve a compromise for the South Ossetia conflict.

Wonderful? Perhaps some will already say this is the desirable consequence of the tough Russian ultimatum, as declared by Khasbulatov and Rutskoi, and will add that this policy should be continued, as only Russian threats to use force could pacify the murderous internecine strife on her borders and ensure the rights of the Russian-speaking population.

However, let us rather recall recent developments in Moldova and the Dniester area. After the visit of the Russian Vice-President and his threats vis-à-vis Kishinev, calling for the defence of Dniester area residents but provoking sabre-rattling across the river, Russian Foreign Minister Andrei Kozyrev had to rush there and in the upshot of hasty "conciliation," as was to be currently observed in Dagomys, unexpectedly agreed to establish diplomatic relations with Moldova.

Did this bring peace any nearer to the Dniester area? It appeared so at the time. But now?..

Is this not creating the tradition of a new Russian "stick and carrot" policy with respect to the "immediate abroad," with intimidation and threats followed by "shock provoking" conciliation? Followed, and again traditionally, by more bloodshed?

In both cases appraisals of the situation by Russia's policy makers betray the lack of realistic forecasts as to what course developments would take should external power pressure be attempted. Indeed, is the actual line-up between the forces for "peace" and for "war" in each conflict area really taken into consideration?

If we imagine that such forecasts were made, we can see that they were erroneous as regards the Dniester area. While as concerns South Ossetia, there is reason to believe that the threats voiced also border on foul play.

After all, surely Moscow must have realized that its ultimatums would only escalate anti-Russian sentiment in Georgia and enhance there those nationalistic tendencies which Zviad Gamsakhurdia continues to symbolize, that at any rate such ultimatums would on no account enhance the standing of Eduard Shevardnadze and other sober-thinking Georgian leaders.

True, there is another view, according to which Moscow's tough declarations would presumably help Shevardnadze to wage a more constructive policy with respect to South Ossetia. This point has been made more specifically by Evgeny Ambartsumov, Chairman of the Russian Parliamentary Committee for International Affairs.

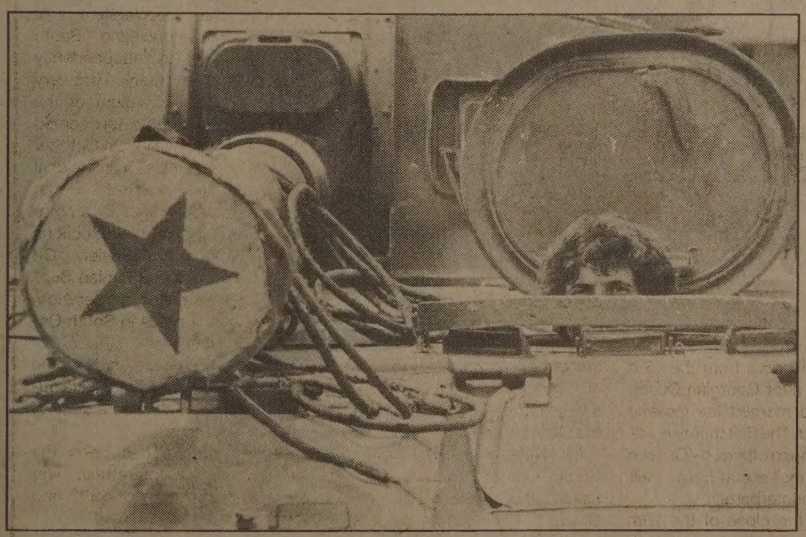
However, the armed coup attempt undertaken by Gamsakhurdia's supporters in Tbilisi on June 24 has revealed the full hazard deriving from failure to take into proper consideration the actual line-up in Georgia today. Truth to tell, one at times has the impression that some of our "tough" leaders would greatly desire to see "irreconcilable" opposite numbers among the leaders of the "immediate abroad." Then they would find sabre-rattling much easier and would have what to say when MPs ask what they were doing. They would merely reply that they would respond tenfold to each shot fired.

Apparently it is time for us to draw the conclusion that when the second and third figures in our country undertake to intimidate, that means the Number One is still busy analyzing the information gained from his "seven independent sources," and that only later the actual policies will be initiated.

Sad to say, this is often belated.

Arkady Dubnov

Photo by ITAR-TASS and G. Ufimtsev



Ossetic soldiers arm themselves by seizing Russian army weaponry

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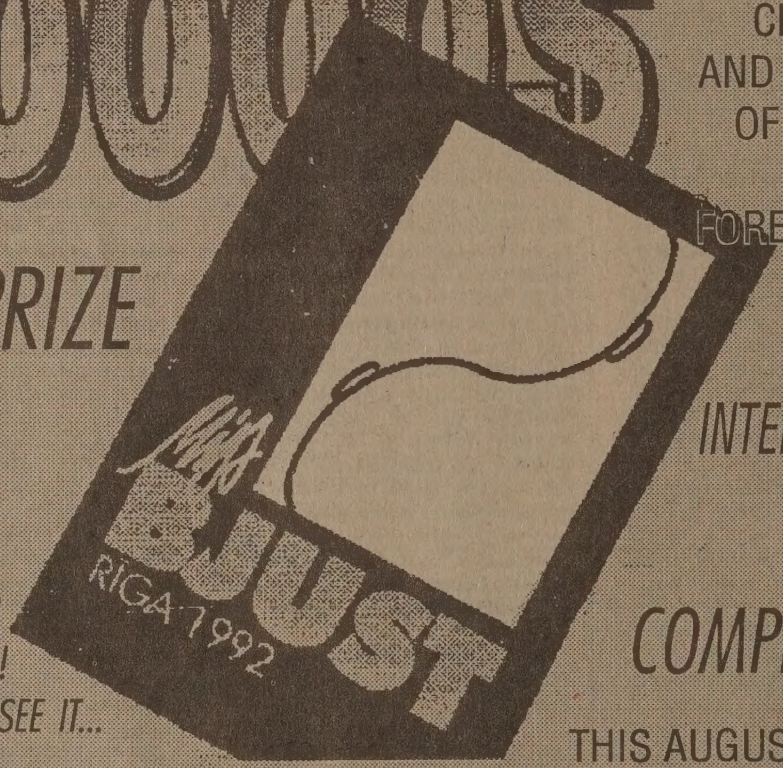

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Penalty for disarmament

Daniel Rotfeld, Director of the Stockholm International Peace Research Institute, interviewed by *New Times* correspondent **Alexander Polyukhov**

New Times. Dr Rotfeld, the Presidents of Russia and the United States have signed an agreement on deep cuts in strategic offensive arms. What is the opinion of your Institute on this matter?

Daniel Rotfeld. Details have yet to be clarified and assessed. However, even today we can talk with confidence about a new stage in nuclear disarmament. Till now the main purpose of similar agreements was to maintain the optimal effectiveness of the US and Soviet strategic arsenals. Cuts were made in obsolete systems, and the tactical and technical characteristics of new missiles and bombers were determined merely with the aim of keeping the mutual deterrence balance. Now whole types of quite modern strategic offensive weapons are to be scrapped. This is as it should be.

N.T. I know from the experience of our previous conversations that the word "but" is sure to follow.

D.R. The planned dismantling of MIRVed heavy intercontinental ballistic missiles is a positive aspect of the agreement. But, you are right here, this fully applies to Russian ICBMs, especially SS-18 missiles which, Americans feared, could be used for the first disarming nuclear strike. The US strategic offensive forces will lose similar ICBMs, of the MX type, for instance. However, it looks as if a complete destruction of submarine-launched Tridents, missiles with similar parameters, is not envisaged in the agreement – and that is wrong.

N.T. The critics of the agreement in Russia will not miss the opportunity to take advantage of this circumstance. How serious will their argument about the preservation of ballistic submarine-launched Trident missiles be?

D.R. This circumstance should not be overestimated. It is sad, nevertheless, that the United States has departed from its own line on arms control. The ultimate aim of control is not for one country to gain an advantage, but the ensuring of strategic world stability.

N.T. It seems the United States will also retain more warheads.

D.R. I am unable to say exactly. But if, as it is alleged, the United States retains 3,500 and Russia 3,000 warheads, the world will not collapse. Nevertheless, the logic of achieving stability can be fully applied here. The present dualism should be corrected in the process of implementing the agreement.

N.T. Objections will surely be heard about the haste with which the parties agreed on cuts. What is to be done with warheads and uranium? How serious are difficulties in this respect?

D.R. I think the political leadership does not fully realize what difficulties arise. The manufacture of nuclear weapons is relatively cheap, but ecologically acceptable variants of dismantling carriers and warheads and using toxic and radioactive materials will cost fabulous sums. Instead of talking about the "dividends" of disrmament, we have to speak about "penalties" for both countries.

For quite obvious reasons this will be a harder burden for Russia. It must be helped economically, technologically and politically. The United States seems to agree with this in principle, though to my mind, it would be better to organize international assistance for Moscow. Incidentally, the deadline for the elimination of Russian strategic arms would then be not the year 2003, but 2000, as for American strategic arms. The international regime for the non-proliferation of nuclear weapons, the treaty on which is to be revised and prolonged in 1995, would be strengthened at the same time. The International Atomic Energy Agency should play a leading part in this process. In general, any doubts regarding Russia's ability to fulfil its commitments should be removed.

N.T. I have a feeling that hindrances and possible failures will be created not so much by military as by political and economic factors, that is, not for minor, but for rather serious reasons.

D.R. Indeed, the American-Russian deal on nuclear disarmament can overcome shortcomings and become a multilateral treaty with the participation of other nuclear powers. But three "trifles" should be mentioned in this connection:

– so far policy limits disarmament instead of disarmament forming policy; in the latter case, steps towards disarmament can quickly make it a factor of reliable partnership and global stability;

– a system of military and political cooperation must at last be organized; some foundations are already being laid, but there is not yet an integral approach;

– the United States and Russia must adopt various measures that ensure a future in which they regard each other as partners, not potential enemies.

N.T. Prosperity will not come even then, because the nuclear arms race leaves a terrible aftermath: the environment contaminated by radioactive wastes and the no longer needed charges of warheads.

D.R. Scientists will have to give answers to these questions, too. They are very complicated. For instance, it is simply not clear so far what to do with plutonium. Our Institute is beginning a special study of this problem. At the end of the year we will make known our conclusions.

STOCKHOLM

In the 1930s and 1940s, dozens of thousands of Uighurs were killed in Kuomintang jails in Xinjiang

A people that fell victim to the Moscow-Beijing rivalry

Witnesses of the birth and fall of a republic talk with our correspondents

The tragic fate of the Uighur people (numbering 15 million now) was predetermined by geopolitics. They inhabited Eastern Turkestan situated on the border of the two empires, Russian and Chinese. Friendship and enmity between the two empires were equally fatal to the Uighurs...

Ethnically, they belong to Turkic peoples and are Muslims by faith. They were the first among Turkic peoples to practice agriculture. They built cities. They were the first to tread the Great Silk Road which connected East and West. In the 17th and 18th centuries they founded their own state, Uighurstan, stories of which reached Europe.

In 1760, Uighurs lost their statehood under the pressure of Manchu-Chinese troops. The seized lands were called Xinjiang (the "new border" in Chinese). Many fled to Central Asia which was soon joined to the Russian empire. The new colonialists didn't spare the Uighur refugees.

More than four hundred times the Uighurs rose against Chinese domination. Now and then they managed to regain a brief independence.

"A Stalinist in his thoughts, an Uighur in his soul"

In the 1940s, Xinjiang was China's colonial province ruled by Generalissimo Chiang Kai-shek. Its autochthonous population was oppressed by Chinese governor-generals. Remote from Central China, Xinjiang maintained much closer relations with the USSR than with China proper from the early 1930s. A Soviet consulate was opened in Kulja near the Soviet border.

In 1944, still another local rebellion broke out in Xinjiang's northern districts bordering on the

USSR. It was successful partly because the Chiang Kai-shek government could not send large amounts of troops to Eastern Turkestan, being preoccupied with preparatrions for the civil war with Communists.

On Novembeer 12, 1944, the East Turkestan Republic was solemnly proclaimed in Kulja. The green banner with a golden star and the nascent crescent was hoisted over the city.

The republic was headed by mullah Alikhan Ture, Uzbek by birth. Stalin helped the provisional government at first, expecting that the creation of the republic would make Generalissimo Chiang more complacent vis-á-vis Moscow and the Communist Party of China. A large consignment of arms and a group of advisors made up of NKVD (KGB) men were urgently directed to the East Turkestan Republic on Stalin's order.

However, shortly after Ture began, in the opinion of Moscow, to demonstrate too much independence, and disappeared...

Akhmajan Kasimi, reputed as "a Stalinist in his thoughts and an Uighur in his soul" among his milieu, was appointed the leader of the republic with Moscow's consent. Yet his policies aimed at the creation of an independent Turkic state ran contrary to Stalin's designs.

Late in the 1940s, the many-year-long fight between Communists and Kuomintang was nearing an end. Mao Zedong's followers were winning. Under these conditions Stalin resolved "to cede" Eastern Turkestan to Mao.

East Turkestan Republic leaders. Third from the left (second row) is the deputy president of the republic, Abdukerim Abbasov – an NKVD agent nicknamed Iran. (The photo taken on January 11, 1946.)

The KGB gynaecologist

"We are all mortal. It's time to tell the truth about those years, and your name won't be cursed by the people," an Uighur historian, Ashir Wahidi, tried to persuade one of participants of those bygone events. This encounter took place in Bishkek late last year, but Hakhim Jaralubekov, aged 82, an Uighur, former KGB man who worked at the Soviet Consulate in Kulja under the guise of an obstetrician-gynaecologist, prefers to keep silence even today.

Says **Ashir WAHIDI:**

"On graduation from a medical institute, Jaralubekov worked in Moscow as a district physician. Served a year and a half for 'princely origin' in a KGB jail. The authorities liked him. They pardoned Hakhim and sent him to a school for spies in Frunze to receive 'a second education.' In 1943, Jaralubekov was sent to Kulja where he 'worked' (when free from practising gynaecology) under the command of the USSR Vice-Consul and an NKVD secret agent in Xinjiang, Vasily Borisov:

"The obstetrician and the Vice-Consul were set the task of strictly controlling and directing the leadership of the East Turkestan Republic through a network of secret informers. A Russian typist and agent Nadezhda Davydova became Kasimi's secretary. The President's deputies were NKVD agents Abbasov (alias Iran) and Sayeddin (alias Bakhar)...

"Revolutionary cadres for the republic were trained (from as early as the 1930s) in Kazakhstan and Uzbekistan, where Uighur young men were sent 'to study.' Those who deviated from Moscow's line were mercilessly killed. Whole families were exterminated. Unreliable persons were lured to the so-called 'white house' (the two-storey building of the Soviet Consulate in Kulja) and then secretly transported to steppes, where their heads were chopped off and their bodies severed. A special 'tariff' was introduced for the cart-drivers who were involuntary witnesses to the crime – death after five 'expeditions.'

"Akhmajan Kasimi was almost overtly hated in the Consulate and called 'an Uighur nationalist.' His insistant requests to inform him about the fate of those who had disappeared were replied to in the following manner: 'Comrade Kasimi, you fail to understand the essence of the moment. Now that American imperialism has created an A-bomb and is ready to crush the bulwark of world socialism, we also need it. There are uranium deposits in Eastern Turkestan. The task of genuine revolutionary internationalists is not to withdraw into their narrow national problems, but to promote victory of the world proletariat which needs uranium mines.'

"The 30-thousand-strong National Army of the East Turkestan Republic was abundantly supplied with arms at a strictly fixed rate: a rifle cost five sheep, a hundred cartridges four, and a machine-gun – twenty-five...

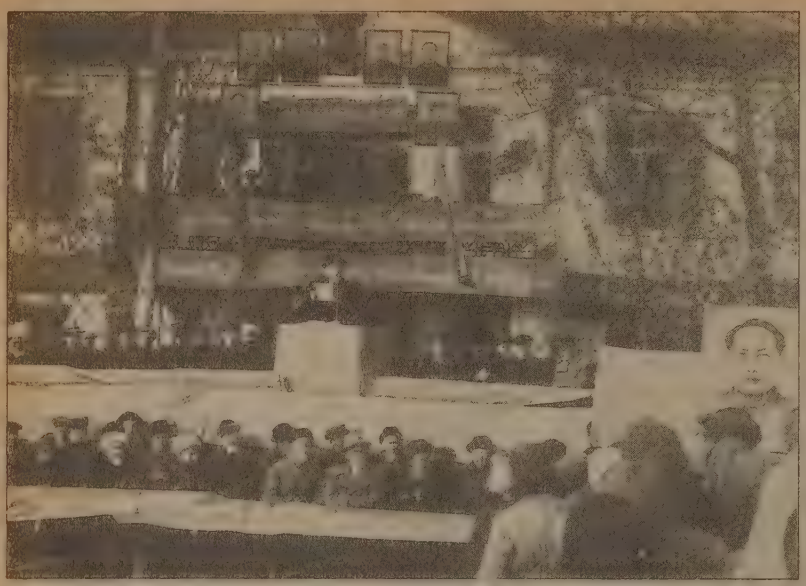
"Only years later did I learn the truth about those events: In those days we sincerely believed that the Soviet Union could help Uighurs gain independence. However, the Kuomintang prisons were replaced with Maoist jails. We were simply betrayed..."

Six corpses in boxes

For more than forty years, the official version of the death of Kasimi and the entire republican leadership was as follows: "Akhmajan Kasimi perished in an aircraft accident in the autumn of 1949, when, as the head of the delegation of the peoples of Xinjiang, he flew to Beijing to participate in the first session of the Chinese People's Political Consultative Conference. His death was a serious loss to the peoples of Xinjiang."

Ashir Wahidi is positive that "those who perished in the 'accident' were murdered in an NKVD jail."

"From August 1949, the USSR Consulate did all it could to persuade Kasimi and



A new Uighur leader, Saifuddin Azizi, appointed by Moscow and Beijing, addresses his people in November 1949

his retinue to fly to Beijing for negotiations with Mao," informs Ashir Wahidi. "They said that the Chinese comrades sympathized with the aspirations of the Uighur people. Kasimi insisted on declaring the independence of Uighurstan. Nevertheless he was talked into discussing these matters on Soviet territory. The leaders of the republic were brought to Frunze and from there sent to Alma Ata. There, in a special hotel for top party officials, negotiations took place with the participation of local security officers. Attempts were made to persuade the members of the government of East Turkestan to reject the idea of independence and join the People's Republic of China as an autonomy. A hot dispute broke out, the conversation switched over to Russian, lavishly 'emphasized' with obscene expressions. Some were ready to accept the arguments of the Alma Ata KGB men, but Kasimi was unyielding. He said that it was 'the last chance to gain independence.'

"Moscow sent the order to fly them all to the Soviet capital. They were not seen alive since, neither those who opposed Stalin's will nor those willing to consent..."

On September 21, 1949, the TASS News Service circulated information got from Beijing about the tragic crash of "a luxurious aircraft Il-12," with nine people, including the crew, on board. These were the leaders of the republic who flew to the Chinese capital together with Vice-Consul Borisov.

The TASS people were too hasty. Even according to the official version, the plane crashed on September 23. But did the crash really occur? No wreckage of the aircraft was ever found. Uighur representatives were only shown a burnt patch of land in the taiga.

Yusuf ILYAS, a former officer of the East Turkestan Republic's National Army, tells us about further developments: "The murder of Kasimi was accomplished by Stalin and Mao. No one has ever believed the official version of the crash. The people demanded that the remains of the dead should be found and buried according to Muslim rites. Shortly after six boxes with corpses were delivered from Moscow to Kulja. A special identification commission was created. It was found that all had broken sculls..."

Two children in the city, four in the countryside

The importance of Xinjiang for Beijing was determined by its geographic position and natural resources – vast oil deposits, rich deposits of gold, platinum, copper and iron ore...

The world's largest rocket and nuclear test site is situated near the lake Lop Nor in the Takla Makan Desert. It's here that China exploded its first A-bomb in the atmosphere in November 1964. Since then explosions continue non-stop at Lop Nor. The last and the most powerful explosion was carried out last May. According to experts, over 6 million people on both sides of the border are victims of these tests.

Deportations of the autochthonous population started immediately after Communists came to power. In the Great Leap period (1958-62), more than 50 thousand Uighur families died of famine. Over 100 thousand Uighurs and representatives of other ethnic groups fled to the USSR. At the peak of the "cultural revolution" (1966-69), when mosques and national schools were destroyed and Muslim *ulemas* were led along the streets with pig heads tied to their necks, the second stage of mass migration occurred. As a result, a compact Uighur colony formed in Kazakhstan (more than 300 thousand people).

The Chinese occupied all positions of the slightest importance. The official language there is Chinese. As a result, many young Uighurs don't speak their mother tongue.

A policy of birth control is implemented in China. The Muslim custom of having large families is ignored. The limitations imposed in Xinjiang (two children in an urban family and three or four in a peasant family) are regarded by the local population as an offence to their national dignity.

The building of new mosques is forbidden; closed are all religious schools except the Kashgar Muslim college, where the mullahs are appointed at the consent of the Beijing party bosses.

Ethnic discrimination in Kazakhstan

When the Uighurs, trying to save themselves from Mao's cut-throats, rushed to the Soviet borders in the 1950s-1960s, Soviet frontier guards stood in their way, indifferently watching their Chinese colleagues shooting unarmed people. For instance, more than a thousand Uighurs were shot to death in the neutral zone on May 29, 1961.

The KGB and the Chinese Ministry of Public Security maintained confidential relations all these years. The "competent organs" warned each other about the approaching riots through a network of secret informers. Many Uighur leaders who had emigrated to the USSR changed Mao's jails for the Soviet ones.

The Uighur culture is neglected in Kazakhstan. Textbooks and literature in the Uighur language have not been published for years. About half of young Uighurs don't speak their mother tongue. The stamp "Uighur" in one's passport makes him or her a second-rate citizen.

Today the situation of the Uighurs in Kazakhstan has improved very little. Whereas formerly their national organizations were persecuted, they now are simply denied registration. The history and literature of the region is re-written to please Kazakh "patriots." The great Uighur enlighteners are en masse listed among the Kazakh ones. The Uighur names of streets disappear.

Khartarman Kharjanberdyev, President of the unregistered Association of the Uighur People, told us: "Local bureaucracy wearing national colours is a far more dangerous phenomenon than the former Party apparat, because the latter feared Moscow, and we could make complaints. Now the local bosses say in answer to all our requests: 'Comrades, are you advocating partition of Kazakhstan?'"...

Yakov Borovoi,
Alexander Chudodeyev
ALMA ATA–MOSCOW

Photos from the archives of Yu. Mukhlisi, chairman of the unregistered Eastern Turkestan Committee

THIS WEEK

At a recent meeting with journalists in the Kremlin, President Yeltsin ruled out the possibility of a new putsch in Russia. The Security Council of the Russian

Federation, he said, had discussed Andrei Kozyrev's statement about the probability of a coup and censured it as "harmful." In this situation the statement by Alexander Lebed, the new commander of the 14th Army stationed in the Dniester republic, seemed puzzling to many news analysts. The 42-year-old major-general said it was necessary to "stop twaddling about politics." Russia, he added, "must not go about the world begging like a goat begs for carrots." The stern commander told the Russians "it's time they got down to work and safeguarded the interests of the power." Time will show whether the undiplomatic statement of Major-General Lebed will add new stars to his shoulder straps, cut short his career or have any effect at all.

* * *

The hopes that the Istanbul agreements on the Dniester republic would bring a quick result do not seem to be coming true. The armed confrontation between Tiraspol and Kishinev has somewhat abated. Meanwhile the "information war" between them has become more fierce, and lately Bucharest has joined it. Tactlessly and abusively, both sides accuse each other of aggressive encroachments and an unwillingness to come to an agreement. The UN mission, which arrived in Moldova to get first-hand information, has also become enmeshed in this war of words. The 14th Army and its new commander are being severely criticized too. For his part, the 14th Army commander is hardly scrupulous in his attacks on Kishinev. President Snegur's immediate visit to Moscow and his meeting with Boris Yeltsin could bring about a change in the Dniester conflict. But time is pressing. The malignant tumour in the south-west of the former USSR seems to be "inoperable."

* * *

A whole team of specialists is trying to resolve another painful conflict, the Georgian-Ossetian one. A commission of the Russian parliament has arrived in South Ossetia to help both sides carry out the agreements reached between Yeltsin and Shevardnadze at Dagomys. Representatives of Russia, Georgia and North and South Ossetia met in Vladikavkaz to discuss the procedure of disengaging the feuding sides. Eduard Shevardnadze flew into Tskhinval in the hope of bringing the situation back to normal there. Regrettably, in spite of this peace-making activity, hostilities between the two sides continue.

* * *

After three attempts, the Russian parliament approved at last the bill on the 1992 budget in the first reading. There is a hope that the bill will be adopted in the second reading before the parliament takes a recess. The remaining stumbling block – the disagreement between the government and parliament on initial basic data – makes senseless the discussion of revenue issues. It is not clear how the tug of war between Yegor Gaidar and Ruslan Khasbulatov will end. The acting premier asked the members of parliament not to succumb to the temptation of reducing taxes, while the Speaker proponces lower taxes, especially on added value.

* * *

Following the draft budget, the Gaidar government submitted to the parliament a medium-term programme for a further expansion of economic reforms. It defines stages of Russia's transition to a market economy and the government's priorities at each of them.

* * *

Tajikistan's national reconciliation government seems to have done little so far for the establishment of peace in the republic. The situation in the Kuljab and Kurgan-Tyubinsk regions has sharply deteriorated of late. According to various estimates, 400 to 3,000 people have been killed in clashes. The clashes have been sparked by clan feuds and have no relation to politics in the traditional sense of the word. Fuel is added to the fire by neighbouring Afghanistan, which supplies arms to Tajikistan.

* * *

The battle over Nagorny Karabakh seems to have shifted to the Armenian parliament. After debates for many days its Speaker refused to put to vote the question of recognition of the Nagorno-Karabakh Republic by Armenia as well as of a conclusion of a military and political union with it. He was backed by President Levon Ter-Petrosian.

* * *

In the opinion of many Armenian observers, the acrimonious debate in the parliament has had a negative effect on the fighting capacity and morale of Nagorny Karabakh's "self-defence forces." Azerbaijanian troops have managed to capture Mardakert, a strategically important centre of the autonomous republic, on the approaches to Stepanakert. As a result, the entire northern part of Karabakh is now under Baku's control.

* * *

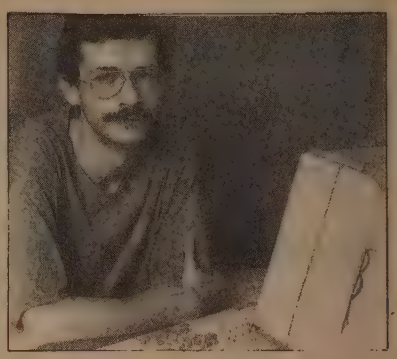
A forum for advocates of the reform, held in Moscow recently, decided that parties and movements should unite in support of the government's policy. This bloc is regarded not as a political party or public movement, but as an "agreement of democratic forces united by common aims." It is supposed to counteract totalitarian-communist tendencies and overcome the crisis of state institutions by way of adopting a new constitution and reforming the bodies of authority.

* * *

The first auction of municipal property in Volgograd has created a sensation. The sum of 140 million rubles gained from the sale is three times higher than that expected by optimists. It is higher than the target set in the privatization programme for the whole year.

Defaults cripple reform

Russia's financial system is struck by a grave crisis. In June, the volume of mutual non-payments by enterprises reached the astronomical figure of two trillion rubles. As a result, even financially sound enterprises are now on the verge of bankruptcy. What is the government doing to deal with this dramatic situation? *New Times International* put this question to **Andrei YAKOVLEV,** scientific leader of the independent commercial Regulated Market Research Institute



Andrei Yakovlev: As is generally known, financial stabilization is a key aim of the Gaidar government. To achieve this aim, it first liberalized prices, hoping in this way to give an impulse to economic restructuring with attention to creating a free market. The two tasks are well grounded and reasonable, but they should not have been tackled simultaneously, because the highly centralized economy was not prepared for such radical measures. The printing of new bank notes could not keep up with their demand. Unable to pay reciprocal deliveries because of the shortage of money in their accounts, enterprises began to supply goods instead of payment commitments which, nevertheless, were registered by commercial banks. This system worked for some time owing in part to a decline in the volume of production. However, financial obstacles increased, and reduced demand brought difficulties in the sale of goods, first of all in the consumer market. As a result, money did not return to producers fast enough and all of them became debtors. The sale of commodities continued, while the transferring of payments for these goods had stopped. But production could not be halted to "put the books in order." The dispatching of goods and the provision of services continued to be sold on the promise of future payments. In the end, nearly all enterprises of Russia have been entered into the so-called bank card index No. 2 as "persistent defaulters." Banks carried out the payment of debts giving priority to those who had been in line the longest. But with the banking system being imperfect, this was done very slowly. Moreover, the Central Bank began to control these operations, and this delayed settlements still more. Transactions took two to two and a half months. Thus, the essentially correct government strategy came in conflict with wrong tactics. This did not favour reform, of course.

New Times International. Don't you see a certain intent on the part of the Central Bank and commercial banks most of which are virtually owned by the state?

A.Y. I can only say that the unpardonably long terms of bank transactions leave huge sums "suspended," so to speak. Objectively, they can be used as credit resources under an appropriate interest rate. It is symptomatic that at the height of settlement difficulties, the Central Bank interest rate rose to 80 percent and commercial banks began to grant loans under the interest rate of 120 to 150 percent. It is clear who benefits from this state of affairs.

N.T.I. What measures were taken by the Central Bank to resolve the crisis?

A.Y. Together with the parliament, the Central Bank has adopted a decision designed to improve setlements in the economy. The mutual payment of debts will have to be effected within a month by the clearing method. The remaining debtors will pay a fine to the suppliers equalling 0.5 percent for each day of delay in the payment for the goods received by them. It is difficult to imagine, however, how under the existing routine system mutual liabilities can be established within a short time and mutual payments carried out between tens of thousands of enterprises and organizations of Russia. I am afraid this will only complicate the situation. For a small fine imposed on defaulters cannot stimulate them to pay their debts quicker, the more so that a state-owned enterprise so far cannot be declared bankrupt. Such a law has not yet been adopteod by parliament. As for the compulsory selling of assets in foreign currency and securities, envisaged by the above-mentioned decision in such cases, it is also problematic. Most enterprises are poor and they have nothing to sell. It remains for them to expect credits from the state budget at the expense of the unsubstantiated emission of bank notes.

N.T.I. You are talking about state-owned enterprises. But let us assume, I run a sound commercial business which does not need to be "healed." My debt is 30 million rubles, but state-owned enterprises owe me 60 million rubles. They do not pay, whereas I have to pay my bills. I am faced with the real threat of bankruptcy. What should I do?

A.Y. In this situation commercial businesses have proved to be most vulnerable. By abolishing the card index system of payment by defaulters, the Central Bank pushes them into the embraces of commercial banks. A commercial business is prompted to take credits under ruinous interest rates. It can file a suit against the defaulter, knowing in advance that money cannot be obtained all the same, because the debtor does not have it on its account. I have before my eyes a joint statement by the Association of Russian Banks and the Interregional Exchange and Trade Union. They assess the Central Bank's decision not to conduct payments as "a criminal action" which is likely to hurt the traffic of goods. There is also another strong expression — "economic war." Thus, the discontent of commercial businesses is obviously assuming a political character. More than enough combustible issues have accumulated here.

N.T.I. Could the government recognize its mistake? For dealing with its consequences, it has to print more and more bank notes which spurs on inflation. The Central Bank is less and less inclined to continue in the game in which an improvement of the budget is announced while, in fact, huge non-budget credits are permitted.

A.Y. I think the political stake is too high for the government to admit this oversight. The opposition will immediately take advantage of the admission, and this will mean an end to the reforms and hopes for foreign credits. In my opinion, a way out lies in a further intensification of the reforms by making the economy freer. It is necessary to adopt and persistently implement property and bankruptcy laws drafted in accord with appropriate international standards and create real competition capable of breaking the monopoly by the state-run sector.

Interviewer: **Nikolai Garkusha**

DOSSIER

LAW OF THE RSFSR "On Taxes on Operations with Securities"

Article 1. Taxpayers

Payers of tax on operations with securities shall be legal entities and natural persons, carrying out such activities in accordance with established procedures.

For the purposes of this Law, operations with securities shall be regarded as such activities or intentions of taxpayers aimed at the formation of property rights regarding shares, savings certificates, bonds of any kind, conditions of conversion, nominal value and bills of exchange, by means of concluding agreements and registrations of prospectus on issue of securities.

For the purposes of this Law, prospectus on issue of securities shall be regarded as the written application of a legal entity on its intention to effect the primary issue of securities subject to registration.

Article 2. Objects of taxation

The objects of taxation under this Law shall be considered the price of a contract, as well as registration of prospectus on issue of securities.

Article 3. Tax rates

The tax on operations with securities shall be collected at the following rates:

– amounting to 0.5 per cent of nominal value of securities in the case of registration of prospectus on issue of securities, with emitter, effecting primary issue of securities, paying the tax in the form of payment for the registration of prospectus on issue. In the case of repudiation of application for registration of prospectus securities, the amount of paid tax shall not be reimbursed;

– amounting to 1 ruble from each 1,000 rubles in the event of the purchase of state securities;

– amounting to 3 rubles from each 1,000 rubles from each transaction participant when concluding an agreement on the purchase and sale of securities.

Article 4. Tax privileges

Exemption from payment of tax on operations with securities shall be granted to:

– legal entities and natural persons acquiring shares issued by joint stock companies for the first time, from the moment of state registration of the latter;

– emitters, effecting the primary issue of securities;

– legal entities, effecting with the established procedure intermediary operations with securities at the expense and on behalf of the client.

Article 5. Calculation of the sum of the tax

Taxpayers shall calculate the sum of the tax on their own on the basis of contractual prices or nominal amounts of issue and corresponding tax rates. The tax on operations with securities effected in foreign currency shall be calculated in rubles and converted at the rate of exchange established by the Central Bank of the RSFSR effective on the date of registration of such operations.

Article 6. Procedure and terms for tax payments

1. The sum of tax calculated according to Article 5 of this Law shall be paid by the taxpayer during the registration of said operations and remitted to federal budgets within a period of 3 days by the following institutions:

– stock exchanges and stock departments of commodity exchanges, regarding operations carried out at exchanges;

– emitters, banks, credit establishments and other legal entities (including those engaged in intermediary activities) which effect registration and legalization of non-exchange operations with securities.

2. When effecting the primary issue of securities, the tax in the form of payment from each transaction shall be collected exclusively from purchasers of securities.

MOSCOW BUSINESS WEEK

3. For operations with state securities, the tax in the form of payment from each transaction shall be collected exclusively from purchasers of securities.

Article 7. Responsibility for tax payment

Taxpayers shall bear responsibility for correct calculation of the sum of the tax and timely payment thereof under the procedure and conditions provided for by legislative acts. Control over the completeness and timeliness of tax payments shall be effected by taxation agencies.

Article 8. Closing Provisions

1. The provisions of this Law shall not apply to operations on shares of labour collectives, bonds of State internal loan of the USSR of 1932, the State treasury obligations of the former USSR, or certificates of the former Savings Bank of the USSR.

2. The procedure and the application form for primary issue of securities shall be established by the Ministry of Economics and Finance of the RSFSR.

President of the RSFSR
B. YELTSIN

Moscow, House of Soviets of the RSFSR
December 12, 1991, No. 2023-1.

DECREE OF THE SUPREME SOVIET OF THE RSFSR

On the Procedure for Enactment of the Law of the RSFSR "On Taxes on Operations with Securities"

The Supreme Soviet of the RSFSR hereby decrees:

1. To enact the Law of the RSFSR "On Taxes on Operations with Securities" as of January 1, 1992.

2. The Committee of the Supreme Soviet of the RSFSR on Legislation shall submit for the consideration of the Supreme Soviet of the RSFSR its proposals on bringing the legislataive acts of the Russian Federation in conformity with the Law of the RSFSR "On Taxes on Operations with Securities."

DOSSIER

3. The Ministry of Economics and Finance of the RSFSR shall establish the form of prospectus on issue of securities.

Chairman of the Supreme Soviet of the RSFSR
R. KHASBULATOV
Moscow, House of Soviets of the RSFSR
December 12, 1991, No. 2024-1

DECREE OF THE GOVERNMENT OF THE RUSSIAN FEDERATION

On the Progress and Development of Agrarian Reform in the Russian Federation
No. 138 of March 6, 1992, Moscow

The Government of the Russian Federation takes note that in most regions of Russia an active agrarian reform is under way. In agriculture, commissions for privatization of land and re-organization of kolkhozes (collective farms) and sovkhozes (state farms) have been formed.

However, in a number of areas this work has been organized inefficiently, while measures being undertaken are of a formal character.

With the view of creating necessary economic organizational conditions for the realization of agrarian reform, the Russian Federation Government hereby decrees:

1. Before March 20, 1992, the Ministry of Agriculture of the Russian Federation and the Ministry of Finance of the Russian Federation shall work out a program for the state support of agricultural commodity producers providing, first of all, for the stimulation of output of grain, sugar, vegetable oil, milk and other food products, and shall submit same to the Russian Federation Government for approval.

2. Not later than March 20, 1992, the Ministry of Agriculture of the Russian Federation and the Ministry of Economics of the Russian Federation shall develop draft agreements (contracts) between the unions of agricultural commodity producers and the Government of the Russian Federation, and shall submit these for consideration.

3. Before March 20, 1992, the Ministry of Finance of the Russian Federation, with the participation of the Central Bank of the Russian Federation, the Ministry of Agriculture of the Russian Federation and Rosselkhozbank shall determine the procedure for granting soft loans to agricultural commodity producers during the second and third quarters of 1992 at an annual interest rate of 8-10 percent, as well as the sources of compensation for the difference in interest payments.

4. To introduce in 1992 a deposit form of state purchases of agricultural produce. Before March 20, 1992, the Ministry of Agriculture of the Russian Federation, the Ministry of Trade and Material Resources of the Russian Federation, the Ministry of Economics of the Russian Federation and the Ministry of Finance of the Russian Federation shall submit Regulations on deposit forms of state purchases of agricultural produce to the Russian Federation Government.

5. In the first six months of 1992, the Ministry of Finance of the Russian Federation shall repay its debt due to the agricultural commodity producers for 1991 that results from compensation for price differences between the agricultural produce and industrial products and an indemnity for expenditures on the construction of social projects and losses incurred due to natural calamities.

6. In addition to the Russian Federation Government Decree No. 86 "On the Procedure for Reorganization of Kolkhozes and Sovkhozes," approved on December 29, 1991, to establish that, should the meetings of work collectives of agricultural enterprises adopt resolutions on preservation of former methods of economic management, then the re-registration of kolkhozes and sovkhozes shall be carried out with placing the land at their disposal in conformity with the applicable legislation. In such a case as the latter, any member of the kolkhoz (worker of sovkhoz), cooperative, company, joint-stock company, association or other enterprise shall have the unconditional right to withdraw from the above with his/her plot of land and share of property for setting up a peasant farm and without the need for approval for this from a work collective or management of an enterprise (organization).

First Vice-Chairman of the Government of the Russian Federation
G. BURBULIS

MOSCOW BUSINESS WEEK

RULING OF THE GOVERNMENT OF THE RUSSIAN FEDERATION

On the Agreement between the Government of the Russian Federation and the Commission of European Communities on the Creation of a Contact Group on Cooperation with the European Association of Coal and Steel

The Government of the Russian Federation rules that:

Approval shall be granted to the proposal by the Ministry for External Economic Ties of the Russian Federation with respect to the conclusion of the Agreement between the Government of the Russian Federation and the Commission of European Communities on the Creation of a Contact Group on Cooperation with the European Association of Coal and Steel.

The Ministry for External Economic Ties of the Russian Federation shall, in conjunction with the Ministry for Foreign Affairs of the Russian Federation, the Ministry for Fuel and Energy of the Russian Federation and the Industry Ministry of the Russian Federation, hold talks with the Commission of European Communities and sign the Agreement on behalf of the Government of the Russian Federation, using as the basis for talks the model draft of the Agreement used by the Commission of European Communities. The representatives of the Russian Federation are hereby authorized to make such amendments and additions to the text of the model draft of the Agreement as may be found necessary, provided these amendments and additions do not alter the substance thereof.

The Ministry for External Economic Ties of the Russian Federation shall draw up proposals ensuring the execution by the Russian Federation of the obligations arising from the above Agreement, make agreements with the interested ministries and agencies, and present them to the Government of the Russian Federation within a month's time.

First Deputy Chairman of the Government of the Russian Federation

Y. GAIDAR
Moscow, April 16, 1992, No. 254

DOSSIER

RULING OF THE RUSSIAN FEDERATION SUPREME SOVIET

On the Procedure for Implementation of the Russian Federation Law "On Enterprise Property Tax"

The RSFSR Supreme Soviet hereby rules that:

1. The RSFSR Law "On Enterprise Property Tax" shall take effect on January 1, 1992.

2. The said Law shall apply to payments to the budget beginning with the results of enterprise operation in 1992.

3. The RSFSR Supreme Soviet Legislation Committee shall send proposals on bringing Russian Federation legislative acts to conformity with the said Law to the Supreme Soviet before January 15, 1992.

4. The Russian Federation government shall bring decisions of the Russian Federation government into conformity with the said Law.

5. The RSFSR state tax service shall, upon consultation with the RSFSR Economics and Finance Ministry, issue instructions on application of this Law.

Chairman of the Russian Federation Supreme Soviet

R. KHASBULATOV
Moscow, House of Soviets of Russia

December 13, 1991

RUSSIAN FEDERATION LAW "ON ENTERPRISE PROPERTY TAX"

Article 1.

The following shall pay the enterprise property tax under this Law:

– enterprises, agencies (including banks and credit institutions) and organizations, including foreign-invested ones that have the status of juridical persons by Russian Federation law, as well as international associations and organizations engaged in entrepreneurship;

– branches and other similar units of the said enterprises, agencies and organizations that maintain a separate balance sheet and hold their own clearance account;

– permanent representative offices and other separate units of foreign companies, banks and organizations on the territory of the Russian Federation.

The taxpayers indicated in this article shall hereafter be referred to as enterprises.

Article 2.

An enterprise's property in terms of value that constitutes its assets shall be liable to enterprise property tax.

Article 3.

The average annual value of an enterprise's property shall be assessed for the purposes of taxation.

While computing the tax base, it shall be assessed as total assets without the following accounting items during the taxation period:

– depreciation of fixed assets;

– depreciation of low-value and rapidly wearing assets;

– use of profits;

– use of borrowed funds.

Article 4.

The following kinds of property shall not be subject to enterprise property tax:

a) property of public-sector agencies and organizations, bodies of state management and advocate collegiums;

b) enterprises producing, processing and storing agricultural produce, fisheries and fish farms;

c) state-owned enterprises manufacturing prosthetic appliances;

d) property that is used exclusively for the needs of popular education and culture;

e) property of religious associations and organizations and ethnic and cultural societies;

f) property of utilities and other municipal or community property;

g) property of newly-formed enterprises, within one year of their registration by state authorities, except for enterprises that were formed on the basis of the assets of liquidated (restructured) enterprises, their branches and structural units, as well as enterprises that use rented equipment in their operation;

h) property used as reserve stock at enterprises connected with a seasonal (natural and climatic) cycle of deliveries (heat-supply plant, etc.);

i) property of enterprises and organizations owned by duly-registered public organizations of disabled persons.

MOSCOW BUSINESS WEEK

Article 5.

While assessing the value of an enterprise's property for the purposes of taxation, the book value of the following assets shall not be included:

a) facilities of utilities, housing and cultural institutions that are fully or partially funded by the taxpayer;

b) facilities that are used for environmental protection and fire-fighting;

c) property used for the production, processing and storage of agricultural produce, fisheries, fish farms and fish-processing facilities;

d) product conduits, transport arteries (including motor roads), communication and power lines and land tracts along them and the structures built to maintain the said facilities in a state of repair;

e) communications satellites;

f) land.

Article 6.

An enterprise property tax may not be higher than 0.5 of the tax base as computed in accordance with Articles 3 and 5 of this Law.

Individual rates of enterprise property tax, as determined depending on the specialization of an enterprise, shall be established by the Supreme Soviets of the republics within the RSFSR, territorial and regional Soviets of People's Deputies.

Individual enterprise tax rates cannot be established.

Article 7.

The tax shall be assessed and paid to the budget on a quarterly basis, and, at the end of the year, a reassessment shall be made.

The enterprise property tax shall be paid in due order to the republican budget of a republic within the RSFSR, the territorial or regional budget of a territory or region, the regional budget of an autonomous region, the district budget of an autonomous district, the district budget of a city district or the municipal budget of a city where the enterprise is located.

Article 8.

The assessed tax shall be accrued as mandatory payment to the budget on a priority basis, with its amount debited to production costs. The quarterly payment of the tax shall be made within five days of the date established for the presentation of the quarterly financial statement, and the annual payment is to be made within ten days of the date established for an annual financial statement.

President of the Russian Federation
B. YELTSIN
Moscow, House of Soviets of Russia

December 13, 1991

DOSSIER

LIST OF RUSSIAN BANKS WHICH HAVE OBTAINED A GENERAL LICENCE

NAME OF BANK	TELEPHONE	NAME OF BOARD CHAIRMAN
1. Credit Lyonnais (Russia) Address: 12, Nevsky Av., St. Petersburg Author'd capital ECU20,000		Jean-Marie Merillon
2. Kuzbassotsbank Address: 12, Kirova St., 650099, Kemerovo	26-55-46	Aubenetsky Yakov Nikolayevich
3. Mosbiznesbank Address: 15, Kuznetsky Most St., 103780, GSP, Moscow	924-69-65, 924-63-34, 924-30-30	Bukato Valentin Ivanovich
4. Vneshtorgbank RSFSR (Foreign Trade Bank of the RSFSR) Address: 16, Kuznetsky Most St., 103095, Moscow	928-71-16, 921-28-08	Telegin Valery Mikhailovich
5. Stolichny Address: 72, Pyatnitskaya St., 113095, Moscow	231-81-95, 231-75-06, 233-58-92	Smolensky Alexander Pavlovich
6. Tokobank Address: 8/12, Sushchovskaya St., 103030, Moscow	972-94-85, 972-11-92, 258-58-94	Yakunin Victor Konstantinovich
7. Dialogbank Address: 4, Staropansky Pereulok, 103012, Moscow	921-91-04, 925-91-47	Kostin Andrei Andreevich
8. Credobank Address: Building 2, Osipenko St., 113035, Moscow	220-34-35, 230-56-21, 230-56-04	Agapov Yuri Vasilyevich
9. Konversbank Address: 24/26, Bolshaya Ordynka St., 109017, Moscow	239-26-20, 239-26-29, 239-49-07, 239-26-08	Pisemsky Nikolai Georgievich
10. Neftekhimbank Address: 31, Gilyarovs- kogo St., 129832, Moscow	281-86-78, 284-84-23, 284-85-43, 284-85-43	Zhuk Georgy Vladimirovich
11. Incombank Address: Building I, 14, Namyotkina St., 117420, Moscow	332-06-72, 332-06-99, 332-06-77	Vinogradov Vladimir Victorovich
12. Eurofinance Address: 15/31, Novokirovsky Avenue, 107078, Moscow	202-74-37, 202-74-29	Lykov Sergei Petrovich
13. Rosselkhozbank (Russian Agricultural Bank) Address: 12, Neglinnaya St., 103016, Moscow	923-78-40, 921-13-00, 921-28-37	Likhachov Nikolai Petrovich
14. Moscow International Bank IBM Address: 5/6, Pushkin St., 103009, Moscow	292-83-71, 292-83-41	Sudakov Vladislav Borisovich
15. All-Russian Exchange Bank Address: Building 1. 1, Matrossky Pereulok, Moscow	268-87-76, 269-02-11	Soldatov Vasily Vladimirovich
16. Savings Bank of the RSFSR Address: 40, Seleznyovskaya St., 103473, Moscow	281-45-65	Zhikharev Pavel Ivanovich
17. AvtoVAZbank Address: 33, Voroshilov St., 445038, Toliatti, Samara Region	35-25-55, 31-35-00	Nakhmanovich Peter Abramovich
18. Yevrazia Address: 182-a, Krasno– armeiskaya St., 426057, Izhevsk, Udmurt ASSR	78-74-65, 22-52-18	Yevdokimov B.I.
19. Promstroibank (The Industry and Construction Bank) Address: 13, Tverskoi Blvd, 103867, Moscow	203-75-22, 200-79-00, 200-79-90	Morozenko N.D.

Furs for hard currency and rubles

A sign bearing the word Jindo was erected on the façade of the hotel Intourist. The entrance is tightly guarded, although not obtrusively so. The reason for such caution is that inside there is to be found a shop selling splendid furs and gemstones from many countries of the world.

The shop was opened by the first Soviet-South Korean joint venture, Jindo-Rus. Although it originally targeted foreigners, half of its customers are from the Commonwealth.

Few people know that most of the fur articles displayed here – no less elegant than those you might see in the Champs-Elysees or on Fifth Avenue – have been made by Russian furriers at the joint venture's factory in Veshnyaki.

Jindo-Rus's South Korean Vice-President Li Yong Van explains why they buy Russian furs at auctions and the newly created Fur Exchange for rubles, but sell their finished products for hard currency. "In fact, we sell some of our products for rubles, such as hats, and we would be happy to increase our ruble revenues, but not until the ruble becomes a convertible currency."

Mr Li stated that his firm sells $2m worth of goods a year, including goods imported from South Korea. Jindo is currently the world's largest buyer of Russian furs. However, this is not its only line of business. The company manufactures containers for carriage of freight by sea, carries forward ecological projects, engages in construction, provides travel services, and is even planning to create a network of travel agencies in Russia and other CIS countries. The construction of the company's factory in Veshnyaki was financed by its revenues from sales of various goods in the former USSR.

The factory's designers have already created their own models and shipped the first consignment to Japan. So far the company has been using the cheap labour of local workers. Although seamstresses in Veshnyaki are paid more than workers elsewhere in the country, the wages of their South Korean colleagues are incomparably higher.

Not everyone in Russia earns meager wages, however. Two of the very first purchases in the Jindo shop were made by a couple of girls who are playfully referred to as "night-time butterflies" in Russian. Each of them bought a mink cape which costs at least as much as a girl at the Veshnyaki factory earns in one year. Prostitutes are said to be able to earn as much during three "night shifts" at the going rate.

Cycles for the CIS

April of 1992 marked the 85th anniversary of Danish engineer Jorgen Skeff's founding of a small motorcycle manufacturing facility in the town of Zschopau, Germany. This gradually developed into the famous German company Motorradwerk GmbH. The first steps in the production of motorcycles, a new business at the time, were difficult for the fledgling enterprise. This year represents the 70th anniversary of DKW motorcycles crossing the frontiers of Germany. Now trademarked MZ, these motorcycles are currently exported to more than 100 countries in Europe, America, Africa, Eurasia and the Middle and Far East.

Motorradwerk has long maintained contacts in this country, and the company offers its world-renowned motorcycles to CIS customers.

A motorcycle is available with 10.5 to 27 h.p. engines ranging from 125 to 300 cubic cm. They come in on/off road versions and offer a wide range of optional equipment, including Enduro tires, reversible footrests, altered headlight design and safety handguards.

All ETZ line MZ motorcycles have improved a rear wheel suspension and front wheel disk brakes using new metalloceramic brake blocks (this helps to brake on a slippery road) and a plastic mud guard.

Medimpex is hopeful

The Hungarian pharmaceuticals company Medimpex entered the Russian market almost half a century ago. Back in 1947, it contracted to supply R30,000 worth of medicines to the Soviet Union. The total value of contracts concluded last year alone totals $407m.

Despite the economic mess in Russia and the rest of the Commonwealth, Medimpex does not lose hope that the situation might change for the better. Evidence of this is a recent exhibition of medicines in the Hungarian trade mission. Its organizer, the Hungarian exhibition and advertising company Hungexpo, did its utmost to attract the attention of pharmaceutics specialists and businessmen.

Medimpex Director-General Ferentz Toldi says that despite difficulties in bilateral payments, his company would soon sign a large new contract to supply medicinal preparations to Russia.

The range of products manufactured by Hungary's pharmaceuticals industry covers all medicines set out in the List of Critically Important Medicinal Preparations which has been approved in Russia. A lack of

any items mentioned on the list makes it impossible for the health care system of any country in the world to function normally.

The Hungarians propose not only to supply finished products to Russia, but are prepared to enter into new forms of cooperation, such as granting Russian enterprises licences to produce Hungarian medicines or process and package their semi-finished products. One of the projects is to produce No-Spa, which is in great demand in this country.

Motorola on the banks of the Neva

A Motorola show and seminar recently drew to a close in St. Petersburg. The event underlined the presence of the former Soviet Union as one of the world's leading producers of electronic components and wireless means of communications.

Motorola wishes to not only sell its products, but play a key role in the retooling of many local defence enterprises as they shift to the production of civilian and high-tech products, including fully connected telephone networks, duplex communication units and paging systems.

There are many more important and strategic sectors in which Motorola could make a revolution, including the modernization of the banking and financial systems. The country badly needs "electronic money" to enable rapid settlements with Western partners and to cope with the cash squeeze.

"It is not accidental that we are making our start here on the banks of the Neva," stated Mr Mokhtari, company director and vice-president of East European operations. "This location provides a splendid opportunity to get in touch with St. Petersburg scientists and research institutions which will provide a skilled staff for future joint ventures."

JVs in Rostov Region

Rostov statisticians say that over 50 joint ventures now operate in the region. Five of them produce goods. Some 86 percent of the total ouput of JVs is accounted for by Ros-Ital, established by the Rostov-based Kalinin piston plant and the firms Fata and Borgo-Nova, headquartered in Torino.

The joint venture produces piston assemblies for GAZ-53 trucks, Volga cars and Dnepr motorcycles, and is getting ready to manufacture pistons for all models of Zhiguli cars.

Other JVs produce small quantities of computer hardware (Veltrocom), plastic products (Era) and packing cases (Nika).

Over half of the JVs are operating in the services sector. Most were created by cooperatives and limited liability partnerships employing between 3 and 20 people.

Bonanza of amber

A visit by a Japanese delegation from the prefecture of Nagasaki to Kaliningrad, as well as visits to the FEZ Yantar, can be regarded as a success. Over the course of four days, the Japanese fulfilled the objective of their 15,000-km trip: an agreement for annual shipments of 20 tons of amber.

At a press conference, delegation leader Haruesi Mori stated that earlier, the jewellery-producing company had bought amber in Russia, Poland and Lithuania, but did not even suspect that amber came from Kaliningrad. The Japanese bought finished goods, mainly beads, and Japanese artists reworked them. Now that the region is master of its unique amber field, which produces more than 800 metric tons of amber annually, the Japanese have decided to trade without agents. Kaliningrad agreed to ship small amber to Japan, as this type is practically unused in the region.

In its turn, the Japanese agreed to open a Kaliningrad branch to produce jewellery and to participate in the construction of a hotel and a shop of industrial goods and in transit shipments via local ports.

Cleaning Moscow streets with French aid

The Moscow authorities have entrusted the Russian-French joint venture SOR-Centre with cleaning the territory of the Central Administrative district of the capital.

Every morning garbage trucks appear in the streets and boulevards of West European cities. Simultaneously, street-cleaners sweep the pavements and kerbs, skilfully handling their synthetic brooms. A smoothly-operating machine moves at the speed of a pedestrian, leaving an absolutely clean strip behind it.

The residents of Presnya and Basmannaya will soon be able to watch something of the kind from their windows. SOR-Centre will begin refuse collection in these municipal territories. The French partner cleans streets in Europe, North America and Africa – cities which have a total population of 21 million. The Moscow partners are specialized branches of the Central Administrative district and the research and producer association Ekotekhprom.

The joint enterprise has been allowed to buy abroad all the necessary machines and equipment needed for several garbage reloading stations. The technological scheme has proved its worth in many countries and is now being introduced in Moscow. The available garbage trucks make their rounds and then are quickly unloaded at intermediate stations. The garbage is sorted out and packed by special units and then transported on heavy-duty foreign trucks for processing or burial at a place specially equipped by the joint venture for this purpose.

In two years' time SOR-Centre is planning to introduce the optimal scheme of cleaning Moscow streets all the year round.

If peace lasts for too long, discord creeps in

In once popular and now tarnished television programme, one of the most personable democratic leaders insisted Russia's foreign policy be made more "masculine." This appeal sounds familiar: it is in hard times that a "masculine," or hard line is usually called for.

Some historians presume that people get restless without a war

Spurs as an instrument of politics

What is said on the silver screen in a gentlemanly tone of voice is done, in real life, in a most ungentlemanly fashion.

The shot fired in Sarajevo by the Serbian nationalist Gavrilo Princip cost the world millions of lives

"Motherland is in danger!" "Stop selling the country out!" In our mournful century, these and suchlike slogans have already led to wholesale slaughters on more than one occasion. I do not mean the tragical moments of history when heavily armed hordes invade your native land, as was the case in 1941. Such an attack leaves the nation which has come under it no choice but fight without budging an inch.

How do wars begin? Aren's they started with putting spurs to the "foreign policy horse" and with calls for a "hard line"?

The record of the two 20th-century global bloodbaths goes to show that in both cases it all began with actions by irresponsible and harebrained politicians who prepared their peoples – psychologically and morally – for war, inculcated an "enemy image" in the public mind and got it resigned to the prospect of an inevitable armed clash.

War is presented as the only way out of crisis. An end should be put to the perfidious enemy once and for all, and then peaceful and happy life will begin for our children and ourselves, for all of us.

Wasn't it amid such talk that world and local wars and the bloody shootouts like the ones now in progress in former Yugoslavia, in Nagorny Karabakh, South Ossetia and the Dniester Region began?

The day after the call for making our foreign policy more "masculine" had been made, the same TV channel launched the documentary film series, "The Germans in World War II," a joint production by the FRG and Austrian television.

The first episode is exactly about the "entry into the war." It said what one would expect to hear from the people who had learned from their tragical experience to talk about their past seriously and to draw conclusions from it: the Germans had been so enthusiastic about their Fuehrer that the outbreak of World War II came as welcome news to them.

Powerful Nazi propaganda had already conditioned them to the inevitability of war. Politicians had suceeded in convincing them that there were no means, other than war, of attaining the desired national goals. They could not imagine then that before very long the families which had solemnly sent their young men off to the frontlines would start getting "killed in action" notices, and that five years after it had walked

over Europe, Germany would lie in smouldering ruins.

Sheepskin coats and raisins

Army buildup apart, the creation of a certain psychological climate, of a special frame of mind – or, simply speaking, producing war hysteria – is doubtlessly the decisive factor in society's reaching the point of no return.

The main thing is to convince fellow citizens and subjects that the end ("We shall not give up what belongs to us!" "We shall take back what is ours by right!" "Let us defend brethren in blood, in faith!") will recoup all the sacrifices made. No one thinks of sacrifices at the moment. What matters is the much coveted aim. Thoughts of sacrifices come back when the latter begin to make themselves felt – for instance, when hundreds upon thousands of zinc coffins start pouring in from Afghanistan.

In German literature of those times one can find descriptions of jubilant crowds showering soldiers, on their way to the fighting lines, with carnations; of girls flashing radiant smiles at them to the bravura strains of brass band music; of an atmosphere of enthusiasm reigning in society.

At first, things go swimmingly: the Fuehrer's tank armadas roll over Europe, fantastic wines and cognacs come in from France, deer hams from Norway, fresh mushrooms and poultry from Poland. Then the first lists of those killed and reported missing are published, refugees and bombed out orphans appear in the Reich proper, the number of invalids keeps growing, cities are reduced to debris, civilians die under fire.

The marching of the "limited contingent" into Afghanistan also looked like an exciting adventure at first. "Go-getters" brought home the much-longed-for sheepskin coats, cheap gold; raisins appeared in Soviet foodstores. The bards of "international solidarity" composed sagas about eternal fraternal friendship sealed with blood. In the meantime planes brought more and more "zinc boys" back home where their last resting places were waiting for them.

Today one can hear war cries issuing from some of Russia's journalists, politicians and soapbox orators. Now they claim the Crimea or the fleet as Russia's own, now they call for firmness, for "retrieving" a border region, now they threaten to "consider the issue" of annexing a part of some other country's territory. Don't they realize what tragedy their frenzied calls could trigger? Don't they understand that a war is easy to unleash but difficult to stop? Or do they hope that they will be spared this lot?

Is peace harmful when it lasts for too long?

The circumstances under which World War I started nearly eighty years ago are, perhaps, of greater topical importance to us than to the other countries involved in that tragedy of long ago. There are a lot of sinister analogies that ought to put us on our guard.

After the end of the war, Lloyd George, the head of the "war party" in Britain, wrote that the more memoirs and books about the outbreak of the war written in various countries one read, the more convinced one got that none of the top government leaders wanted to make war then. In Lloyd George's opinion, they had slipped or rather foolishly stumbled into it.

Some historians are of the opinion that people get restless without a war. Monstrous as it sounds, this observation is not altogether groundless psychologically. And what about Shakespeare's remark to the effect that if peace lasts for too long, discord creeps in.

Can anyone be tired of a "protracted peace" in Russia, the country which suffered so much from the war? Or is that only true of the growing generation which has never seen combat action and which thinks that war is "not so black as it is painted"? Are some of the dashing young fellows not content with masquerading as bemedalled officers and spoiling for a real fight – be it in Moscow's Ostankino or in a "hot spot" like the Caucasus or the Dniester Region?

Did the political leaders of European powers really "foolishly stumble" into the war, dragging nations and states along? Even if they did, let this be a lesson to our nationalists who should watch their step lest they should stumble into something deadly. Actually, the causes of World War I were much more complicated than that, and the world plunged into catastrophe certainly not through the government leaders' "foolishness" alone. "Just a look into the documents on the causes of World War I will show that those responsible for it were at work everywhere," the German author Alfred Andersch remarked.

"Who authorized him?"

Amazingly, those few who tried to ward off and prevent the imminent disaster were not heard out, but pushed aside and gagged. Certain crowned heads and high-placed statesmen regarded them as "spoilsports." Crown Prince Francis Ferdinand of Austria believed that a war would "rejuvenate" his country; dreams of war made him and elderly Kaiser Wilhelm kindred spirits. The Austrian Crown Prince, who had enthusiastically "brandished the German sabre," was the first victim of the massacre then in the making – as a matter of fact, a contemporary author remarked, he "fell victim to a provocation he had engineered himself."

Victims of a gas attack. People come to s

The Sarajevo murder furnished a much-wanted pretext to those in Germany who hankered after war – and those included the Kaiser himself, which decided the matter. It was the Kaiser who inscribed on the margin of a report from his plenipotentiary to Vienna the famous phrase, "Now or never!" What's more, he was indignant over the fact that the plenipotentiary in question used any opportunity to keep Vienna from "rash action." "Who authorized him?" the Kaiser exploded with rage. "Let him stop talking rot!" Later it turned out that His Majesty had failed to consider the consequences: what he intended as a "small war" grew into a big one.

Doesn't the same thing happen to all those who plan wars? The result always proves to be out of all proportion to the idea: all they wanted was to punish a presumptuous enemy, to achieve "historical justice." Hitler, for example, had intended to overpower the Soviet Union in a matter of weeks, with minimal losses.

real face of war when it is already too late

He had not imagined that his soldiers would freeze to death in their hundreds of thousands in the snowswept fields of Russia.

Here is a characteristic detail which, for all its seeming triviality, is of utmost importance: historians testify that old Wilhelm was a neurotic and a psychopath. Hitler's psychopathic volatility is common knowledge. It is horrible when nations become hostages of leaders distinguished not only by their hyperthrophied ambitions, but by their sinister mental disorders as well.

Wars do not happen by chance or through someone's folly: they are prepared by real concrete people.

As for soldiers sacrificed to the Moloch of war, they were rapturous at first. We know this from fiction and from history books. But "after rapture petered out, the soldier came to realize that everything – the hand grenades and the declaration of war – had been made by someone. There were those responsible for all that." What's more, there was a growing realization of the fact that they, the soldiers who had gone into action and fulfilled orders so enthusiastically, were responsible, too. "If a new war begins," Andersch writes, "it will also be 'made' by someone. It should not be resigned to as one resigns himself to his fate. Fate is not as cheap as all that."

Fish fodder

Every hammer blow at Kiel and Wilhelmshaven, as Churchill, then the First Lord of Admiralty, wrote, helped cement the union of the former antagonists – the French, the British and the Russians. Years before the war, the Kaiser had applied himself to naval buildup as part of his preparations for an armed clash with Britain. Way back in 1897, an influential adviser to the German Reichskanzler made the following prophetic entry in his diary: "I presume that the huge navy is the real ultimate goal for the sake of which the Kaiser is prepared to put the Reich's peace, and even its very existence, at stake."

"The mood is in favour of strengthening the navy," Wilhelm wrote in a 1911 telegram. "It is necessary to embody this spiritual state of the nation and its excitement in useful action... The nation is waiting for that and would enthusiastically welcome that as a national undertaking." The naval issue remained central to the relations with Britain. However, "a mere agreement on the navy could have prevented the world war," Count Bernstorff, Germany's Ambassador to the USA then, stressed.

The "mood" had already been created, though. Said the writer Rolf Hochhuth: "The rulers wanted the country to become a naval power – the nation gave them money for that at last as taxes, and then gave them its sons, first as sailors, then as fish fodder."

As they compare the situations which preceded the first and second world wars, German authors single out what we habitually refer to as "the role of the individual in history." The role ambitious politicians have had to play in unleashing wars deserves a special study, indeed.

According to the historian Golo Mann, ruthlessness and perfidy are the indispensable prerequisites for carrying out far-reaching ambitions. Dwelling on the peace efforts made by Prince Lichnowsky, Germany's Ambassador to London, he spoke about his "kindness and healthy common sense": "it took nothing more to discern danger in 1914 and give the right advice." The advice was not heeded, of course: "the ruthless and the perfidious" got the better of "the kind and the sensible."

An anonymous iceberg

Wars are unleashed not by "anonymous forces" but by concrete persons. The iceberg which ripped the Titanic's hull was, indeed, anonymous, but what real people do cannot be.

As distinct from Marxism, which denies individuals the key role in bringing about global disasters, historians and writers of the FRG long came to the conclusion that before August 1, 1914, the answer to the question of "war or peace?" depended on just a few individuals who bear the responsibility for the fate of millions.

Rolf Hochhuth is certain that the two "deeds" which took more lives than any other action had in world history – the attack on Russia and the mass annihilation of Jews – were perpetrated through the fault of just one man: the criminal mechanism had been actuated by Hitler, with the tacit connivance of his so-called "paladins" who cowardly suppressed their discontent, if any.

It was precisely Hitler who planned and carried out both "undertakings" – but for him, the "paladins" would hardly have ventured to commit such crimes. This detracts nothing from, but rather adds to, the guilt of those who regarded his actions as "unwise," but nevertheless stood by him out of cowardice, or even rapturously.

As you see, the historical drama in two acts gives much food for thought. The drama reminds one of the monstrous danger of irresponsible sabre-rattling, of light-minded hopes for "small," local or "near-bloodless" wars. The attempts at revising borders and recarving the geographical map are particularly instructive. Whatever decisions are made in this sphere should be strictly political ones – the German diplomat who said that politics, not war, should be the state's top priority was right.

Threats, ultimatums, shows of force, appeals to the "heroic national past," calls for the protection of "our people" who are in danger, combined with the ambitiousness of politicians trying to take advantage of any crisis in pursuance of their selfish ends – all this leads straight to the unleashing of "small" wars, which then develop into big ones of their own accord.

Another important point is that "national interests" become, more often than not, a trump card, a decisive argument in foul political play. What Hitler was trying to build up in Germany was "national socialism," no less, and it was for the sake of protecting the German people, for the sake of his country's "good and prosperity" that he had started the war which drew almost the whole world into its orbit. War preparations are often accompanied by incantations about "national security." Who has ever admitted in history that he was arming in order to attack, not in order to defend the "vital interests" of his nation? It goes without saying that demagogical abuses do not convert the nation's national interests into phantoms and that it is a duty of political leaders to further these interests. One should, however, distinguish genuine interests from nationalist instigators' blatant lies spread by trouble-making nationalists who should under no circumstances be given credit to or taken instructions from. This is, perhaps, the main lesson of the two past – and hopefully, last – world wars.

Irina Mlechina

Photos from Der Spiegel and Stern (FRG)

POWs will return home, though not all

The mujahedin government has a list of 15 former Soviet POWs and it is fully known that all of them are alive

Two months ago the delegation led by Russian Foreign Minister Andrei Kozyrev spent five hours at Kabul airport waiting for two helicopters, one of which was to bring a former Soviet POW. The promise to return him was made to Kozyrev by Defence Minister of Afghanistan Ahmad Shah Masud. We did not know the name of the POW. It was only known that he was a Russian.

The helicopters did not appear, and communication with them was lost. Two more helicopters flew up above Kabul several times to establish radio communication with the two crews (it is impossible to do that from the airport because of mountains all round the Afghan capital). But they did not succeed. Tension among the members of the Russian delegation increased. If the POW is not returned, they reasoned, all other promises of the mujahedins can prove false.

There was no news about the helicopters. The end of Kozyrev's visit was marred. But several days later the former Soviet POW, Sergei Fateyev, did return home. There was no political intrigue or ulterior motives behind the unfortunate incident. The two helicopters sent to take the POW back simply disappeared in the mountains. Such things happen in Afghanistan.

Ahmad Shah Masud kept his word and made a goodwill gesture, demonstrating the new government's intention to hold talks with Moscow on new terms. These terms dictate new rules. Several years ago officials of the legal department of the International Committee of the Red Cross relayed to me the enormous obstacles they encountered in trying to deliver Soviet servicemen from captivity.

Only two kinds of prisoners are mentioned in international humanitarian law: prisoners captured during an internal armed conflict and servicemen taken prisoner during an armed conflict between two or more states. Prisoners and POWs enjoy different rights. The first are guaranteed only the right to life. As regards POWs, the Red Cross can demand that they are allowed to correspond with their relatives. Their names are entered into a special list. The Red Cross can also conduct negotiations on their repatriation.

The Soviet soldiers taken prisoner by mujahedins could not be included into one of these categories, because the USSR did not wage an official war against Afghanistan and a limited contingent was moved into the neighbouring country at the request of its government (it is hardly worth arguing now whether it was official or not). Nevertheless, the International Red Cross undertook the complex mission of holding talks with the belligerents on the repatriation of servicemen taken prisoner.

True, in those years the Red Cross was actively helped by many Western countries, first of all the United States and Britain. Soviet POWs were taken to the West not only for humanitarian considerations. Their evidence convinced the world – to a much greater extent than the reports of Western journalists and the revelations of refugees from Afghanistan – that the USSR was waging an aggressive war.

After the Soviet troops had been pulled out of Afghanistan, the West's interest in our POWs waned. The efforts to free them were continued by those who were guided by more serious reasons than considerations of momentary advantage. For instance, Lord Nicholas Bethell of Britain explained to me his efforts for the return of Soviet citizens in this way: since the mujahedins claim power in Kabul, they must behave in a civilized way, and a civilized behaviour means humane treatment of POWs and respect for international humanitarian law. It is more advantageous for the mujahedins not to insist on the fulfilment of their demands in return for freeing POWs (for these demands will not be met all the same), but to repatriate them and thus enhance their own prestige in the eyes of the world community. However, it was difficult to explain this truth to the belligerent groups.

Today the dialogue is conducted not by field commanders and Moscow emissaries of different levels, but by official representatives of the two states. And this indeed dictates new terms. Apparently conscious of the new situation, Masud agreed to release one of the POWs. Almost all members of the new Afghan government with whom Andrei Kozyrev met, said that the repatriation of other POWs was a matter of time. The new authorities do not know exactly where POWs are kept and how

Gen. Dostam, former commander in the Najibullah army, and Ahmad Shah Masud, former field commander. To a large extent the fate of Afghanistan and the Soviet POWs is in their hands *Photo from Time (USA)*

to bring them to Kabul. But they promised that the list of POWs still alive would be drawn up before long. For its part, the Russian leadership made a plea to the world community for help in the solution of the POW problem.

A few days ago a special diplomatic mission of Britain's Foreign Office, led by Martin Williams, head of its South Asia Department, returned from Kabul. It was sent there to discuss the possibility of reopening the British Embassy in Afghanistan (closed after the withdrawal of Soviet troops) and find out about the fate of POWs at the request of the Russian Foreign Ministry.

Lord Bethell made known what the British diplomats learned in Kabul. Fifty to sixty POWs are still kept by Afghans. Half of them come from the European part of the former USSR, mainly from Russia and Ukraine. The other half, who profess Islam, come mostly from Central Asia. Mr Williams brought a list of 15 POWs whom the Russian Foreign Ministry knew were alive. Most of them want to return home, though several of them have adopted Islam and the Afghan way of life and married Afghan women.

One of such POWs, Lord Bethell said, is Nikolai Bystrov, a Russian from the Urals. He grew a broad and thick beard and wears Afghan clothes. Bystrov was given an automatic gun as a personal bodyguard of Ahmad Shah Masud, a famous mujahedin commander from the Panjshir Valley. Mr Masud was appointed Defence Minister in the new government, and Bystrov moved with him to Kabul. It appears that he intends to remain in Afghanistan, though Russian officials would like to verify this fact and arrange for a meeting with his family.

The position of Victor Nazarov and Leonid Vylku is worse. Till recently they were kept, together with Sergei Fateyev, under lock and key in Masud's headquarters in Taloqan. Fateyev was released, and he said that he left his freinds in a state of total depression. They fear what their fate may bring.

Another POW held by Masud is Omin Altyiev, a Turkman from Termez. It is known for sure that he wants to return home.

Though several POWs have been set free of late, three are still kept in the territory under Masud's control. They are Gennady Tsevma, Alexander Levinets and Bashkimgeldy Yazhkhanov.

Three Russians and a Ukrainian are held in the Baghlan Province by field commander Sukhipayandar, who supports fundamentalist leader Gulbuddin Hekmatyar. They are Alexei Olenin, Yury Stepanov, Nikolai Vyrodov (who refused to return home during his meeting with Alexander Rutskoi in Pakistan. – **I.L.**). and Valentin Dubina. Two Russians and two former residents of Central Asia are held in captivity personally by Gulbuddin Hekmatyar. They are Sergei Krasnodurov, Nikolai Zayats, Khazrat Makhmetnazarov and Dovletnazar Gulgeldiev.

Lord Bethell pointed out that it was still difficult for the Red Cross to determine where the POWs are staying, because all of them bear the Moslem names given them by Afghans. Those who have been found are afraid to say whether they want to return home or not. For the sake of their lives they have persuaded Afghans that they have fully adopted the Moslem way of life. The obvious desire to return home can endanger their lives.

In any case, the new Afghan government now has a list of POWs and the Russian Foreign Ministry knows about their existence. There has arisen a hope that POWs will return home, though not all.

Irina Lagunina

Russian Weekly NEW TIMES Newsmagazine

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Searching for the "lost money"

Italian Communists are unlikely to return our money. However, it is not they who kill Italian judges

The visit of Russia's Procurator-General Valentin Stepankov to Rome, the third in the last six months, reminded one of the scenes found in Italian detective films. He was escorted by two armed guards from Moscow and a dozen carabinieri rode along with him in cars with howling sirens.

The mafia does not like investigators

This truth was confirmed once again on the Saturday evening of May 23, when Giovanni Falcone, Director-General of the Justice Ministry's Crime Department and a sworn enemy of the mafia, was killed in a powerful explosion in the environs of Palermo.

Some Moscow newspapers saw a connection between the attempt on Falcone's life and the current inquiry into the "secret funds" of the Communist Party of the Soviet Union (CPSU). It was alleged that raw ingredients for narcotics were delivered to Italy from Soviet Central Asia and that the money earned from it was invested into profitable businesses controlled by the Italian mafia. However, none of the charges have been confirmed so far.

The initial reaction in Italy to this information was one of open scepticism and mistrust. "It is difficult to understand whether this is a true charge or whether it is meant to play its part in the internal political struggle in Russia," *La Repubblica* noted sarcastically. Apart from rather vague hints and an eye-catching heading, saying that "Falcone was killed on the eve of his trip to Moscow," the articles of Moscow journalists did not contain hard facts.

Italians were irritated by the lack of elementary tact in those articles. Moscow newspaspers linked their own domestic, though important, problems with the Italian national tragedy, for such was the public reaction to the assassination of Falcone.

Notwithstanding an official refutation by the Italian Justice Ministry, the rumour about the "Moscow connection" to the murder of Falcone grew stronger. Telman Gdlyan, our "glorious fighter against the mafia," fulfilled the promise given to his "friend Falcone" and, according to the newspaper *Argumenty i fakty*, "drank 100 grammes of vodka for the repose of his soul." He made such a vow to the Italian judge "during their meeting in Rome, which took place in the summer of 1991 under strict secrecy." All of which conspires to create an atmosphere similar to that of a bad detective story.

Valentin Stepankov brings Kremlin secrets to Rome

No one paid attention to the statements of Russian and Italian officials that Falcone had no plans to fly to Moscow this summer, or even in the summer of 1991. On the instructions of the Italian government, the case of money donations made by the CPSU was examined by Rome prosecutor Ugo Giudiceandrea and investigator Franco Ionti. Falcone was busy with his own afairs.

No one denies that the request was made. During Russian President Boris Yeltsin's official visit to Rome last December, Francesco Cossiga promised assistance in the search for the CPSU's "lost money" in Italy. For his part, Boris Yeltsin promised the Italian authorities to pass to them startling information about "the CPSU's aid to fraternal Communist parties" all of which has been dug up from the archives of the KGB and the CPSU.

Documents about secret ties

A team of Italian investigators visited Moscow. They rode along streets in black Volga cars with bullet-proof glass. The group did not give interviews and did not meet with journalists. On return to Italy the investigators awaited the arrival of their counterparts from Moscow. Soon they welcomed Valentin Stepankov at the Leonardo da Vinci International Airport in Rome. What did the Russian Procurator-General bring to his Italian colleagues?

The archival documents on the CPSU's secret ties with the Italian Communist Party (ICP) can be divided into three groups. The first group consists of diary notes, extracts from records and receipts for the "material aid" received by Italian Communists from the CPSU. At first, the aid went to the central party fund at the ICP CC office in Rome. After the party majority, led by Enrico Berlinguer, split with Moscow and adopted the positions of "Eurocommunism," the CPSU sent money to the pro-Soviet wing of the party led by Armando Cossutta.

The size of donations varied from year to year, reaching two and more million dollars (for some reason the sums were paid in American banknotes). In particular, over five million dollars was handed to the "friends" in 1972. The "friends," as foreign Communists were called in Moscow, asked for three more million. The Central Committee of the CPSU politely refused, but later did pay out half a million nevertheless.

The second group of documents contains letters relating to financial manoeuvres and the support of commercial firms and enterprises owned by "friends." At times direct abuses were recorded. The sums owned by "partners" were kept on secret accounts in the Moscow-based Vneshtorgbank (Bank for Foreign Trade), thereby allowing them to avoid paying Italian taxes. Such a trick was done, for instance, with the port firm Maritalia in Rimini.

School of international terrorism

The third, most "explosive" group of documents deals with "the requests of Italian friends to send their representa-

tives to study in Moscow." Perhaps I'll dwell on this matter in greater detail.

During one of the congresses of the CPSU, an unusual excursion was arranged for some very important and trusted guests (with interpreters who accompanied them). Government

Nel nome di Stalin
sotto la guida di TOGLIATTI
portiamo avanti la bandiera della pace, della libertà, dell'indipendenza nazionale e del Socialismo!

silently and with concentration trampling something under foot near the edge of the volley-ball ground. I looked attentively and saw by moonlight that they were taking new dollar banknotes out of the sack and throwing them

Since the times of Stalin and Togliatti, the Soviet and Italian Communists sought to achieve common aims with common means. Together with the party majority, Enrico Berlinguer broke with the CPSU. Nevertheless, the flow of dollars continued

limousines, led by police cars, sped along the Yaroslavsky highway. A few kilometres before the town of Pushkin the motorcade turned to the road with the "no traffic" sign. At the end of it stood a factory surrounded by barbed wire, with double gates protected by guards, but with no sign to be seen.

We drove onto the territory of the "special branch" of the Lenin School. Its "students" mastered explosives, methods of guerrilla warfare, cipher writing and radio communication. In short, it was a real school of international terrorism. It was run jointly by the CPSU Central Committee and the KGB. I did not understand till now why interpreters were let in. However, someone had to translate the explanations given by "forest school" instructors to the high African guests whom I accompanied.

It is not accidental that I remembered this school. "At the request of the leadership of the Italian Communist Party," 19 party activists studied there in 1974. A memo on this request, drawn up by Vadim Zagladin, was among the documents brought by Procurator-General Stepankov to Rome. It says that the Italians underwent training in cipher writing, camouflage and radio techniques. At a press conference in the Russian Embassy, Stepankov made it clear that not one, but several groups of ICP activists studied at the "forest school" in 1970, 1976 and apparently in other years. It appears that the Italian Communist Party, fearing a rightist coup, did not rule out the possibility of going underground.

In this connection, local newspapers speculated about possible ties between the CPSU and terrorist groups like the Red Brigades. Stepankov said in Rome that no documents confirming this speculation had been found in the CPSU archives.

Trampling dollars under foot

It is difficult to believe that such things are told about the glorious fighters for the cause of socialism in Italy. Such things took place, however, and not only in Italy. I recall one more related episode. It took place in a far-away African country as long ago as 1967. In a couple of days, the National Assembly (parliament) of that banana republic was to elect its President. Late in the evening, staying longer than usual in the office, I looked out by chance into the embassy yard and was struck by what I saw. In the darkness, several men were under their feet. The men violently crumpled the banknotes to make them dirty. Only later did I guess the meaning of what I saw: the dollars were intended for bribing members of the parliament. Unfortunately, I do not know till now who owned them – the CPSU Central Committee or the KGB. This is not important, however. The dollars could be faked in general.

I wonder how many similar incidents took place in different parts of the world and how much money flowed into the safes of false friends and associates.

Procurator-General Stepankov left Rome without roses, but with guards and new documents received from his Italian colleagues. I do not think he and his associates will succeed in returning even one lira of the sums lavishly given out by our Party leaders to their foreign clients.

Alexei Bukalov,
ITAR-TASS correspondent
exclusive for *New Times*

ROME

Photos from the magazines Panorama (Italy) and Stern (Germany)

Privatization has not yet begun in Azerbaijan. However, **Zakhidov Annagi Gussein-ogly,** 33, president of the Aran corporation, has a knitted-goods factory, a plant for processing agricultural produce, a polyethylene film plant, a brick works, a tomato juice factory, and several more joint enterprises. He also runs several shops, and not only in Baku, but also in districts where the shortage of goods is felt more acutely.

As distinct from the majority of his colleagues – entrepreneurs in the ruble zone – Annagi began to invest money obtained from trade into the construction of enterprises. He took risks because land is not sold in Azerbaijan and a lease is concluded for the maximum of ten years. Land with a plant built on it could be taken away.

He started business in 1989 because he needed money, not big money but enough for survival. Annagi has to provide for three daughters and elderly parents. Friends and associates recall that when Annagi Zakhidov, then a junior researcher, decided to organize a corporation, he did not even have a good pair of shoes. Now that he has enough money (the corporation has a turnover of more than 50 million rubles), he is glad to have an opportunity to help not only his family, but the entire country.

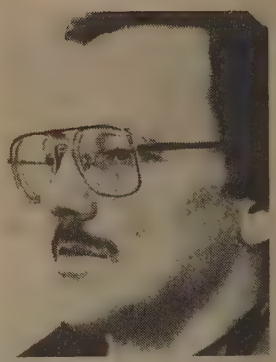
Some time ago a problem arose on the border between Azerbaijan and Daghestan. The Lezghin shepherds, who have long lived in both republics, want as before to drive their flocks from Daghestan to Azerbaijan and back, disregarding the fact that a state border which runs between Azerbaijan and the Russian Federation now cuts Daghestan in two parts. Annagi plans to organize a joint enterprise in that place so that the land would remain in common use.

Today the corporation has two orphanages – Azerbaijanian and Russian – under its care. Annagi is sure that some time in the future his corporation will be able to finance all orphanages in Azerbaijan. "I wish all children knew me and addressed me as 'uncle Annagi' when I visit their orphan-homes," he says.

At his request, lawyers are drawing up agreements on employment for life, based on the Japanese model, but with local realities taken into account. An insurance company is being formed for the corporation employees and for emerging businesses.

Annagi dreams of building a joint enterprise to promote cocoon growing (the breading of silkworms) in Azerbaijan. Implementing Japanese technology, silkworms could be gathered three times a year, not once, as is now done. Moreover, "waste" land along roads and ditches could be used. "Let the great silk path again pass through the Caucasus," Annagi says. He has a talent for combining commercial skill with patriotic aspiration.

* * *



Alexander Kirstein, architect and member of the Latvian parliament, believes that power in Russia and Latvia is held by "dissidents" of the 1960s. "In the sixties, all of them were progressive party functionaries who believed in socialism with a 'human face,' today they believe not in man's abilities but in the state's regulating

Hard, but not tedious work

At first sight, **Alexander Likhotal's** work would not make others envy him. He has one office, one writing-desk and one working chair, but two posts, and both carry a lot of responsibility. Alexander heads the press service of the International Foundation for Socio-Economic and Political Studies, and simultaneously, is a political adviser to Mikhail Gorbachev, president of the Foundation.

Three telephones on his desk ring almost incessantly. The working day is planned down to the minutest detail and can last till midnight. But Likhotal – 42-year-old doctor of history, a graduate of the Moscow Institute of International Relations and former senior research associate at the Foreign Ministry's Diplomatic Academy – does not complain and is pleased with his work. True, the burden is tremendous, he admits. The Foundation has received more than 400 requests from foreign and Russian news media for interviews with Mikhail Gorbachev. It is not easy to work with the news media, Likhotal says. It occurs that Gorbachev's words are distorted and misinterpeted in the press.

The press secretary is not inclined to dramatize the situation, however. He also sees a bright aspect to it. In spite of everything, Gorbachev's brainchild – *glasnost* – has materialized. In Alexander's opinion, on the whole, the mass media is coping with its task of keeping politicians in touch with the public, and of helping politicians to adjust themselves to public opinion and amend their conclusions.

As a political adviser, Likhotal prepares analytical material for Gorbachev on various topical subjects. If Gorbachev is going to deliver a speech, a sort of "examination" is organized in his office. In the presence of his six advisers, Likhotal included, the president of the Foundation sets forth his position. Advisers act as "well-wishing opponents," pointing out what they think to be weak places in their chief's arguments and offering what they believe are more convincing arguments. An optimal variant is found in this way.

Alexander says that it is easy and yet difficult to work with Gorbachev. A profoundly intellectual person, Gorbachev quickly grasps the ideas of other people. He does not pressure his employees. In communicating with them he never follows the principle: I'm the boss here and you subordinates have to fulfil my commands.

This quality, rare for many top apparatchiks, was noticed by Likhotal in his chief right after he joined the team. This happened last October, when the former head of the group of consultants at the Party's International Department was appointed deputy press secretary for the President of the USSR.

There is only one difficulty. Gorbachev has a tremendous capacity for work. His working day can last till midnight. It happens that a telephone call from Mikhail Gorbachev awakens the already sleeping adviser. In this case it is not easy to step into the conversation right away. True, such "odd hour" calls have become more rare of late. We interpret it to be the beneficial influence of Raissa Maximovna, one of Gorbachev's close associates noted jokingly. She tries to keep our peace at night.

role in the economy," Alexander says. "They are bright intellectuals, but in fact, lack talent." Kirstein prefers cynics who "see everything as it is."

Various rumours are spread about Kirstein. It is said, for instance, that his father was an associate of Trotsky. But Alexander asserts that he merely guarded him. Later on, Kirstein senior was thrown into prison for this "service."

Kirstein junior's relations with the KGB were not of the best either. During his first trip abroad, to Finland, which produced a "stunning" impression on him, the young architect refused to go to the Lenin museum and instead went to the "entertainment district." After that Alexander was not allowed to go abroad for a long time. The impression from what he saw in Finland was so strong that Kirstein decided to run away from the Soviet Union "even on an inflatable dinghy." The KGB learned about this desire. "I was given a friendly warning that it is not wise to betray the Soviet homeland," Alexander recalls. Nevertheless, he still prefers faraway countries to Russia.

* * *

Nikita Khrushchev is believed to have been the first Russian leader to taste Pepsi Cola. This occurred when he visited an American exposition in Moscow and was treated to the exotic beverage by none other than the future US President, Richard Nixon.

Pepsi Cola was first produced in Russia by a factory in Novorossiisk in 1974, and from this time, the drink has conquered the Russian market. The marketing manager of the corporation's bureau in Moscow, Mr **Oleg Smirnoff,** states that Pepsi now accounts for 90 percent of all imported drinks sold in the country, and the number of factories which produce it in the Commonwealth has reached 40.

36-year-old Oleg Smirnoff received his university education in Moscow and the USA (Columbia University). He has been working for Pepsi Cola International since 1987, and has largely contributed to its success in Russia.

The Russians who choose Pepsi express solidarity with Americans, says Oleg. The latest taste test of various soft drinks conducted in the US revealed that most people prefer the taste of Pepsi.

According to the marketing director, the corporation's commercial success in Russia is a result of more than the drink's taste. Aware of the former USSR's hard currency shortages, the company hit upon the only possible solution 18 years ago. It offered to barter Pepsi concentrate and the equipment necessary to produce the drink in exchange for Russian vodka. In expanding its activity in Russia the company had to overcome daunting bureaucratic barriers. Through its dedication, perseverance and experience, we can down a refreshing glass of Pepsi Cola, Fiesta or Tanets on a hot summer day, says Mr Smirnoff, proud of his company. These beverages represent the range of soft drinks the company produces in close cooperation with Russian enterprises.

The strategy of Pepsi Co. Inc. in Russia hinges on close cooperation with local producers whom we are always ready to help, Mr Smirnoff affirms. A long-term agreement signed by the company three years ago with a number of Soviet foreign-trade associations provides for investments of up to $3 billion in the Russian economy.

Do you find it hard to compete with Coca Cola? – we asked him. "The Russian market is boundless," Mr Smirnoff grinned. "What's more, we have been competing with our rivals all around the world, and not without success. Our drinks are sold in 165 countries."

An artist who makes leather alive

The young Moscow artist **Marina Bonetskaya** is engaged in rather a unique trade: she crafts various accessories for women out of leather. "People now very often feel nostalgic about the expressive simplicity of things made of natural materials," she explains.

Marina's skilful hands make leather seem alive, exuding the warmth and magnetism of natural forces. Her artistic range is very wide – from a classic style with pure and simple forms to folklore designs, in which she uses plaitings and fringe, and finally to extravaganzas, making use of three-dimensional elements which evoke complex associations with this or that object in the surrounding world. Marina often supplements leather with furs, wood and metal.

Her decorations vary in both size and function: clips that partially cover the ear and delicate earrings, multi-tiered breast decorations, massive and thin bracelets and hoops for hair, as well as hair clasps of the most unusual forms. A more traditional approach is shown in brooches intended for businesswomen. The author's artistic ideas are expressed to the fullest degree in sets of matching decorations.

Marina prefers the colours found in natural materials: black, grey, various hues of brown, gold, beige, and straw-yellow.

Marina Bonetskaya has regularly participated in exhibitions organized by the art centre Delovoy Mir. Her creations, including various accessories, panneaus and other decorative pieces of leatherwork have been exhibited at the International Baltic Forum of April 1992 in St. Petersburg, at the Siberian Fair of January 1992 in Novosibirsk, and at the exhibition "The World of the Businesswoman" in Moscow. Her works have travelled to Finland, Yugoslavia and Hungary.

A monument to the patient

Every doctor is somewhat of an ibn-Sina deep down. That wise man of the Middle Ages ran under the cover of night to a cemetery, quickly dug up a new corpse and, armed with a kitchen knife, saw and axe, peered into its insides until morning to see what was there. He hurried – he had to return the lifeless human specimen before the sunrise.

All secrets of the illness due to which a patient gave up his soul to God are revealed only to the pathologist, our last ibn- Sina on earth. Now to cure the man! But it's too late: he's died, damn it, and is already in Heaven. It's curious that from 1988 to 1992 not a single complaint was made against pathologists to the Central Health Department of Moscow. These doctors work irreproachably and untirelessly. The spheres of medicine less open to the gaze of the doctor managed to draw more than 20,000 complaints over the same period. It was scientifically proven that about one in every 1,000 patient complains. Therefore, if you add three zeros to 20,000, you get a clear idea about the standard of health care the population receives.

And they forced us to respect it

The new head of the Central Health Department of Moscow, Anatoly Soloviev, thought up a new term: "medical security." He worked out a whole programme for it. The programme has 26 points – all about how to finance hospitals and clinics. There is not a word about the quality of treatment, as if it goes without saying that once doctors become rich, there will immediately be less sick people than healthy. The programme says that it is designed to preserve and develop the medical security system of the city. Does that mean something threatens medicine, or that medicine threatens someone? Take it as you wish.

The patients traditionally are of the belief that the danger is bad doctors. The doctors continually complain about how little money they are paid. That is the way it has been and will continue to be. Doctors are in conflict with patients the world over. However, our doctors are in a special situation: the whole lot of Soviet propaganda foisted a favourable view of doctors on the people as well as demanding respect for them due to their title alone. The record chart documenting the illness of our medical system is full of heroic deeds, which the following short anecdote conveys best of all:

"A truck carrying corpses was going down a road. One of the corpses dropped out as it went around a curve. A little later a car came down the same road. The driver ran over the body and, afraid that he had killed the man, took him to the nearest hospital. The driver paced back and forth by the doors of the operating room: one hour, two, three... Finally the door of the operating room opened and the doctor came out wiping the sweat off his forehead.

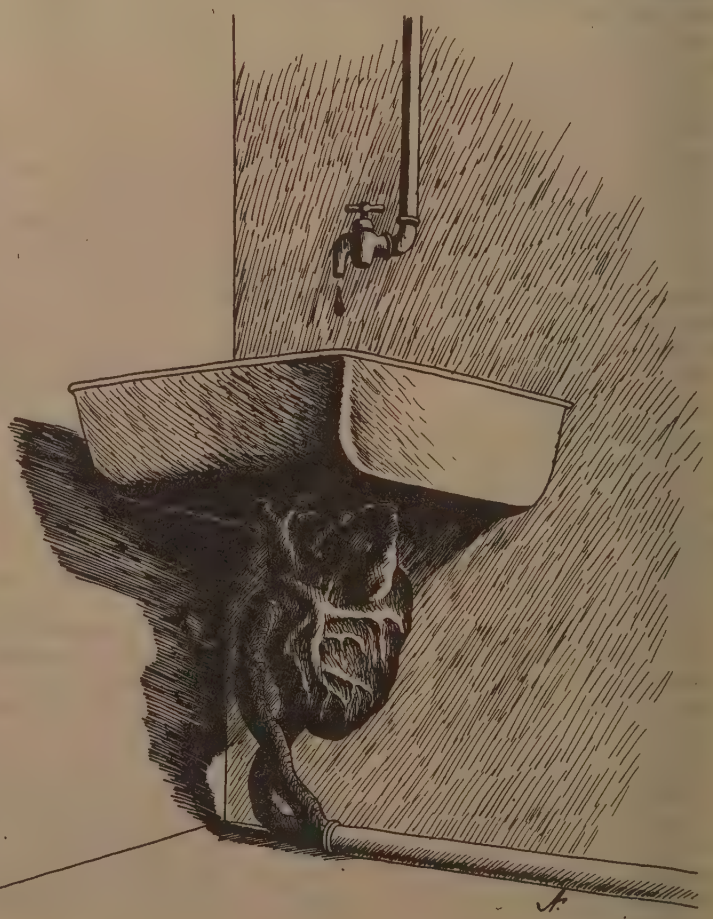
'Well, doctor?'

'I did all that I could. I think he'll live.'"

In real life things are even funnier. Well-to-do women who are going to give birth pay to go on a tour abroad and try to time the trip so that the baby comes while they are travelling. The birth pangs of the poor tourist begin in Paris or London, and the child is born safely in a local hospital there. Does the head of the Central Health Department have such security for our maternity clinics in mind?

The diplomas of our doctors aren't acknowledged everywhere abroad. Nevertheless, the author of the "Medical Security" programme assured me that our doctors are highly valued abroad. He

Confidence in the doctors is overshadowed by the fear of the healthcare system



Drawing by Arkady Gursky

told me that an American correspondent, having seen what conditions our doctors have to work in, said that Western Aesculapiuses, in the literal meaning of the word (Gods of medicine), are no longer doctors, because they can't do anything without technology. While ours are real doctors: they make a diagnosis without any equipment and even cure people. She forgot to add that they cure patients without medicine, too, since it also is not available. But this, evidently, isn't the least bit dangerous for the patient.

Sympathizing with the doctor, we condole with the patient at the same time. But even when our doctor has everything necessary at hand, not every patient manages to get away from him in good health.

Grow up and be a doctor, son!

Patient F., 19 years old, entered the hospital having been diagnosed as having appendicitis. They brought him in Saturday evening. On Monday he had to be buried, because the doctors don't work on Sunday.

Patient K. died from a shot the nurse gave him.

Patient M. entered the hospital with an "intimate" problem. The hospital charged for the operation. His relatives and family were glad – finally our medicine was becoming civilized! And they paid whatever necessary. Right after the operation M. experienced unbearable pain where the scalpel had been used on him. They assured him that the anaesthesia was wearing off.

However, at night the place operated on swelled up and turned blue – some active processes were taking place inside! But the doctors at the pay clinic had gone home for the night. Only a nurse was on duty. She immediately summoned an ordinary public doctor working free of charge.

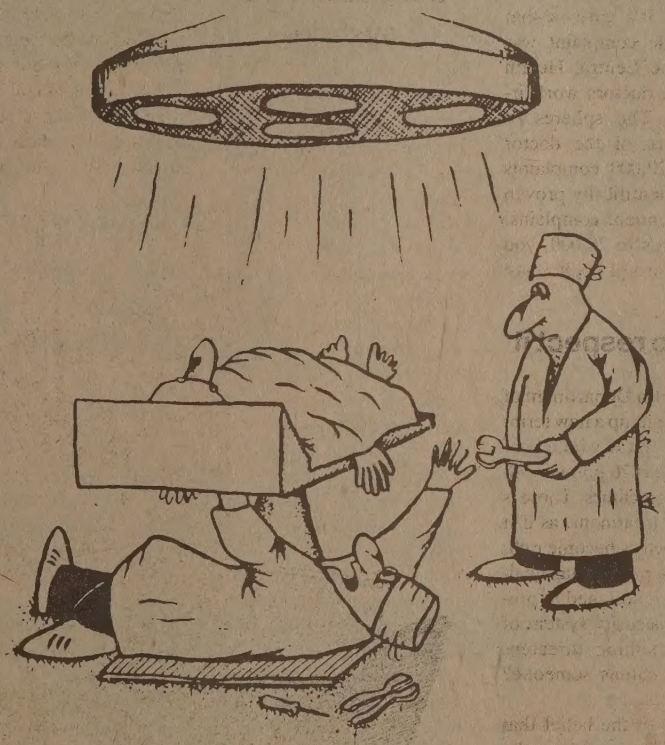
M. was again placed on the operating table and the free-of-carge doctor adroitly corrected the mistake of his ultra-modern colleague who had forgotten to sew up a blood vessel.

On the 9th of May in one upright family the dog fell ill. They called a doctor. They paid not 180 rubles like the last time, but 550 – due to the local inflation. The doctor came, gave some shot and, with liquor on his breath, left. An hour later the dog got very much worse, and they rushed to phone the veterinarian. But no one answered the phone at the pay clinic, though it was open around the clock and they were ready to pay big money if only their dog would be saved. The dog didn't make it until the doctors picked up the receiver: it died of asphyxia. The owners wept for several days.

A doctor from a dispensary came to patient I. and talked to her heart-to-heart. She told I. that she had cancer and would die. She should enter a hospital, but the conditions in hospitals were dreadful. So the doctor suggested she make a will leaving everything to her, and for that she would see to it that the patient was cared for at home and given medicine.

Patient S. was diagnosed as having acute respiratory infection. They had her take sick leave and she went home and "stayed in bed." But her temperature rose and a neighbour called for an ambulance, however, they refused to send one for a temperature. The next day S. was dead. The pathologist unerringly determined the cause of death: meningitis.

Patient C. had a heartache. His wife rushed to the phone to summon an ambulance: "He's sitting in a chair and can't move! Hurry!" On the other end of the line they asked: "What's his last name? First name? Patronymic? How old is he? Twenty five! We don't come for someone so young" and hung up, having asked her not to bother them again...



Drawing by Vyacheslav Shilov

I'm sure that every person could find something to write down in the record chart for the illness of our healthcare system. Many parents' dream is for their son to become a doctor – just so that he won't have to go to a public one. This programme for medical security is long-term but reliable.

We're afraid of public doctors – it's out of fear that we give the bribes, crystal vases, flowers, boxes of candy, books, chocolate, vodka and cognac. We buy off the doctor so that he will treat us better and not hurt us.

The judges don't remember that

Western movie producers and writers may make life there out to be better than it is, but I never saw on the screen or read in a book of a patient or his relatives bringing the doctor a gift. That's only something that happens here.

The new head of Moscow Health Department didn't agree with me on this point either. In his opinion, the patients gave the doctors presents because they know how little the people who save their lives earn. It's true, of course, that we sympathize with the doctors, but that's not all there is to it. The number of complaints and their character all indicate that people are ready to relate to doctors as equal partners in fighting illness. But the doctors aren't ready for that.

Not every doctor in the hospital is ready to explain to his patient what kind of medicine he has prescribed to him and why.

Why should you know? says the doctor in such instances, you don't understand anything.

This situation is so widespread that it brings to mind medical security – only from the other side. The doctors aren't used to being checked on, they are always right, because the patient and his relatives can't prove that he was wrong: they don't know how he treated them. To complain about a doctor is absolutely useless: investigation commissions are made up entirely of doctors who also work for the state and also make mistakes.

The chairman of the Moscow City Court, Zoya Korneva can't remember ever having tried a doctor. She promised to ask her colleagues and an hour later said that they had recalled two such cases. True, they had been

inconclusive. One man sued the Krasnogvardeisky regional health clinic for harm done and the other sued the Volgogradsky regional heatlh clinic. The second had taken his wife around to hospitals and asked for her to be admitted, but was refused everywhere, and his wife had died in his arms. The judges didn't remember how it all ended. When asked why people don't sue doctors and thus increase the likelihood of getting good treatment, the chairman of the Moscow City Court answered that people usually turned to anybody in such cases, but the court. And they are wrong. Now there are independent experts whose opinion the court is ready to take into consideration. And the article in the Civil Code of Russia giving us the right to demand compensation for harm done to us by bad doctors hasn't been repealed.

While patients are looking for a way to safeguard themselves from medicine, doctors have gone about seeing to their own security with unprecedented seriousness. They announced a strike. And like the air traffic controllers before them, they said that they were not striking for themselves, but for the patients – there was nothing to transport them in or cure them with. There are only 322 ambulances for all of Moscow. But neither pilots, nor doctors were supported by passengers or patients for some reason. People only watched from the sidelines. Everyone understands that the safety of flights and that of medicine is something very necessary. The problem is that probably only visiting foreigners have the right to be moved when the doctor examining the patients lays his sensitive ear to the patient's chest or presses his stomach with his hands (unwashed) which in scientific jargon is called "palpation". But does it help much to the average patient?

We want complete security for everyone – for the doctors and for ourselves. But our sympathy for the doctors is overshadowed by our hatred for the health care system.

Private medicine is in third place

Those unwashed hands, lines in the clinics and hospitals, rudeness of the medical staff, squeaky beds, overcrowded wards, dripping faucets, fighting to get medicine, shortage of disposable syringes, slow and unreliable ambulance service – we are fed up with state health care – there's honey on its lips but ice in its heart. However, in the programmes of the new head of the Central Health Department private medicine is only in third place, and it is not at all clear when it will be possible to go to a private doctor, to have one's own doctor and the like. Probably never.

State health care, like our state itself, is noted for its heartlessness and cruelty: the patient merges with the masses, with the unending stream of the ill, he loses his individuality and figures in the state statistics under the pseudonym "number of beds." But the well-financed state health care that its new head proposes entrenches it even more, deepens the conveyor-belt health care mentality and increases the chasm between the doctor and the patient. If this is called security, then in the abstract medicine, i.e. without doctors and patients.

Even the current system of poorly financed state health care causes panicky horror. There is unprecedented development of surgery where the ibn-Sina complex reigns to the extreme. At the drop of a hat the doctors send patients to a hospital where they open him up and look to see what's in him. They hurry to place him on the operating table because there isn't much time allotted for treatment in state health care, the next patient is waiting for the bed. And at the scientific research institutes, where patients turn to for practical help, they end up becoming gunea pigs in scientific projects subsidized by the state! They test new drugs on them and new cures. The patients believe they will be cured and willingly endure painful tests. Anything to get well. But the institutes keep getting larger and larger and installing shining medical equipment from the West and East, while the cemeteries stretch to the horizon and beyond. Did the foreign correspondent visit a cemetery? A monument was put up for a dog used in a lab experiment, but who will erect a monument to the patient, the guinea pig who believed the doctor and gave him his life for the sake of enigmatic scientific progress? Who will remember the patient, simply for all he has suffered in the name of state healthcare security?

Now they cry quietly, if ever, at funerals: a person's death has become commonplace.

Drawing by Victor Bogorad

And people have become worn out by calling for ambulances, by hunting for medicine, and by fawning before doctors. And death of a person in the family is incredibly terrible, but the life of patients are even more horrible. We sincerely envy anyone who was lucky enough to meet a good doctor. But that happens more and more seldom.

Don't they pay the doctors enough? They pay them inexcusably little. It is outrageous! But why must the citizen pay for the miserliness of the state? Why don't doctors who are paid by patients stay on duty at the hospital at night? Why must we pitty a patient unlucky enough to fall ill on a weekend or holiday? Why do some highly paid doctors make house calls while under the influence of alcohol? Why don't even good doctors ever wash their hands?

When we find the answer to these basic questions – then the potential primary allies of the doctors – the patients – will join them in striking. And then we will be quicker to understand the humaneness of the new term – "health security."

Vyacheslav Baskov

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